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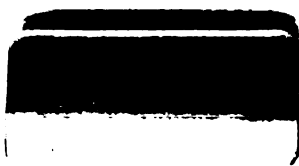
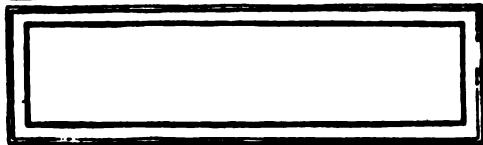
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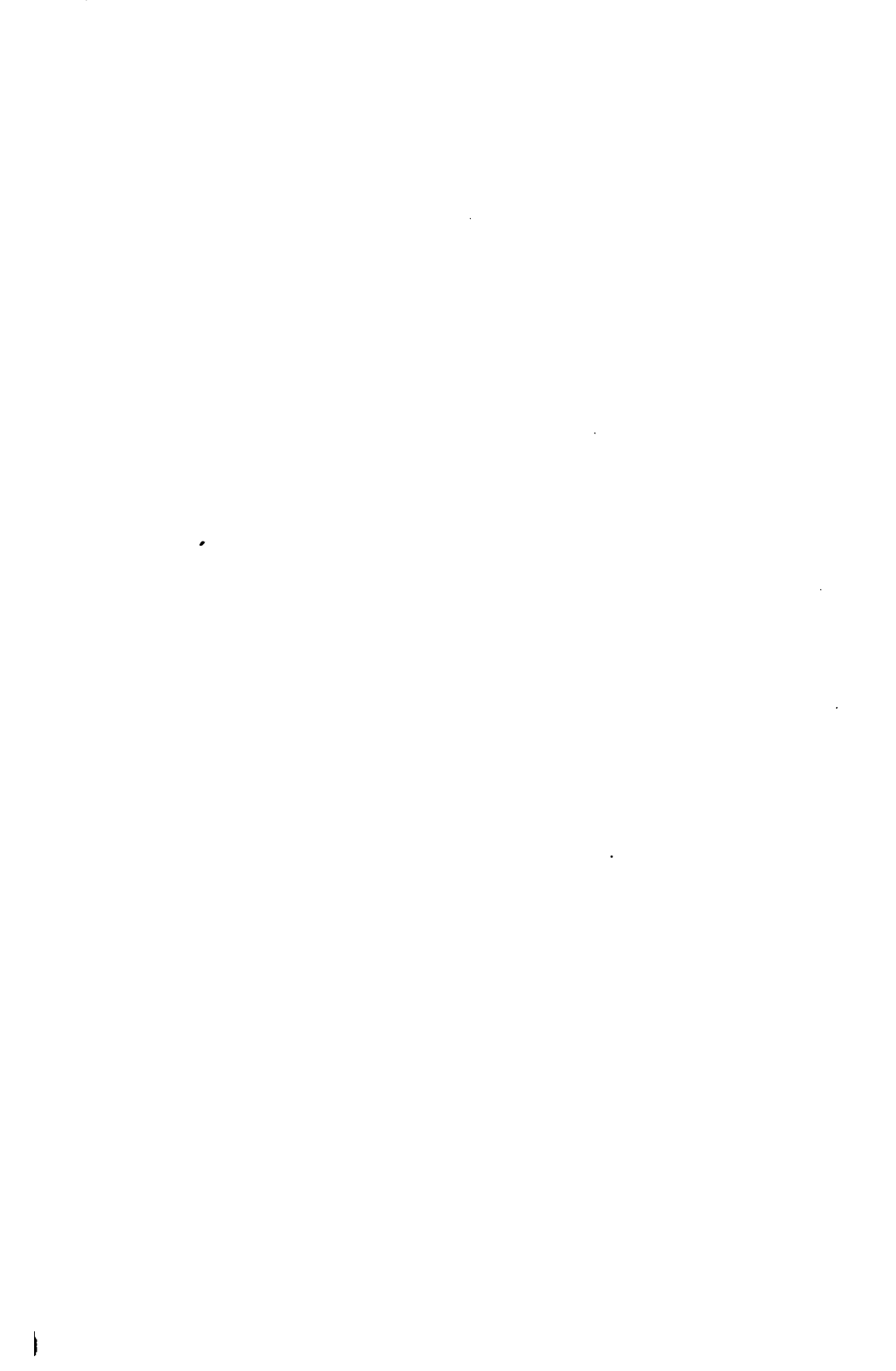
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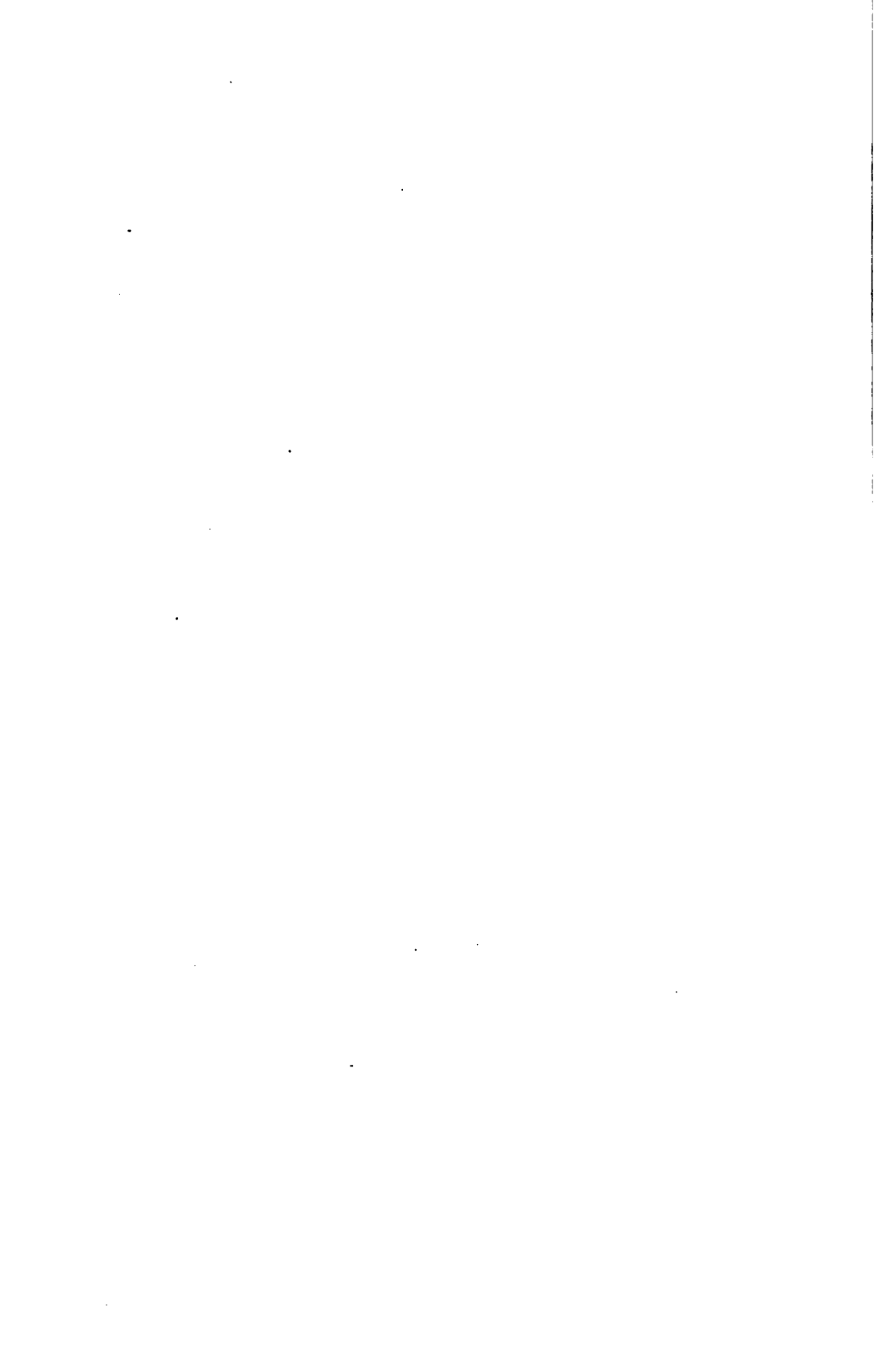


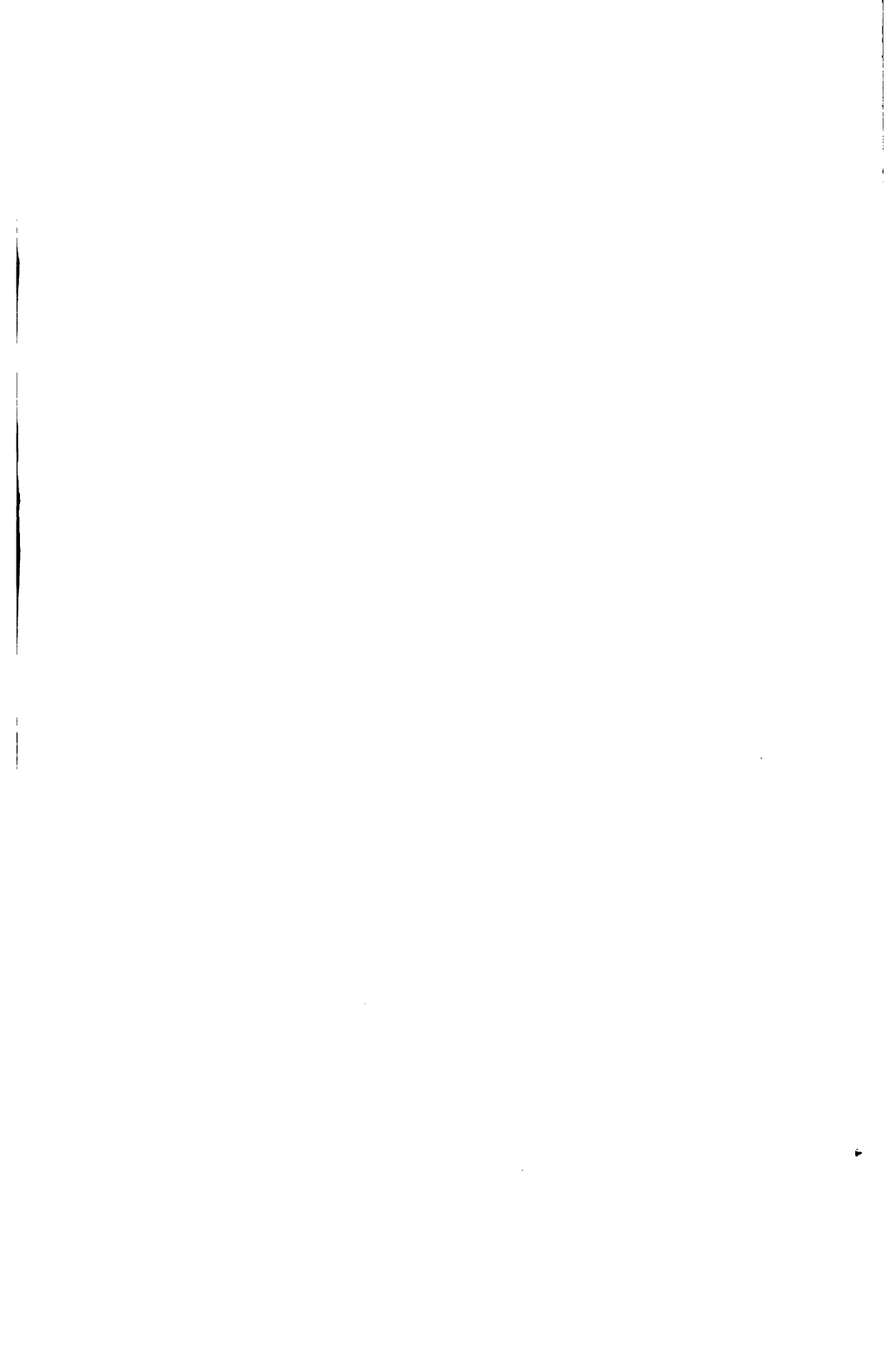














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 A. B. ...  
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# THE AMERICAN OFFICE

ITS ORGANIZATION, MANAGE-  
MENT AND RECORDS



BY

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THE AMERICAN OFFICE—ITS ORGANIZATION, MANAGEMENT AND RECORDS.

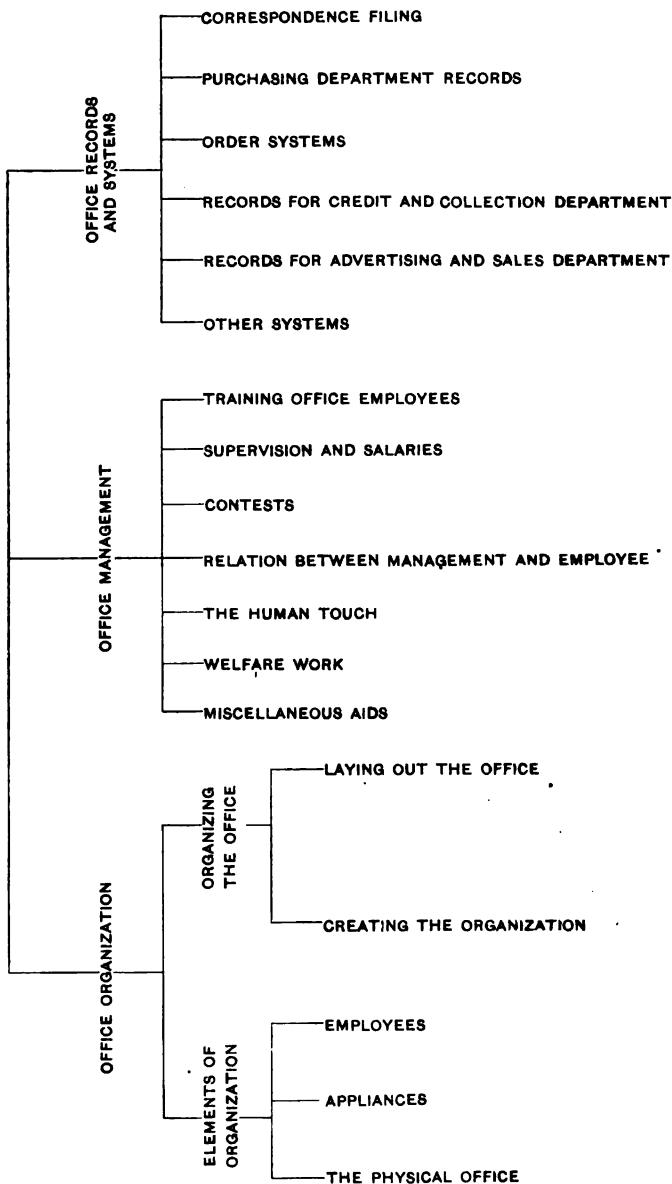


Chart I.

## PREFACE

Eliminating waste effort is the aim of the age. There is no gainsaying the fact that this world of ours is wasting millions of dollars doing useless things with brains and body. The efficiency movement and the scientific management movement are the natural results of an almost universal desire to avoid the useless.

The factory has had the lion's share of attention during all this attempt to reduce motions and increase output—that is, reduce costs. The office is only now coming into its own. Lack of literature and the feeling that the office is “different” have been somewhat responsible for the delay in applying to the office the principles that have been found sound in the factory. Yet, taking the country as a whole, we find certain principles applied here and others there. Unconsciously, business concerns have, each contributing a part, built up what might almost be termed a “science of office organization and management.” There is no need therefore, to expound new theories. The author has found it unnecessary to go beyond the experiences of the better managed offices.

The book is divided into three parts. Part I deals with the organization of an office. The elements of organization are treated at some length, since there does not seem to be any other standard description of them in book form. The reader is also told how to combine these elements into an efficient whole.

Part II deals with the intensely interesting subject of management. The author found it difficult to confine himself to the illustrations quoted; it was thought best, however, to quote only such instances as would give the reader a conception of the lengths to which he may go.

In Part III are treated the office records and systems which will no doubt interest most of the readers of this book. Here again the author failed to find any standard text that states, explains and illustrates the fundamental features of the necessary office records. It is hoped that this part of the book will not be construed as an attempt to describe all office records. That would be an impossible task. The systems are, however, comprehensive enough to fit average cases with whatever modifications are demanded by the circumstances peculiar to each case.

The book is primarily intended for three groups of people:

- I. The young man in the office who is anxious to succeed and who is desirous of studying a book that will teach him standard office methods.

- II. The student in the university or business school who aims to start his business career with a knowledge of American office practice.

- III. The executive who realizes that, no matter how well he may believe his office is being managed, there are ideas and suggestions to be gathered from a study of other men's methods.

In the preparation of the material for this book the author has had the assistance of many executives who gave information freely because of their desire to see a work on this subject published. To these gentlemen he is extremely grateful. The author also wishes to thank Mr. William H. Lough, to whom he is indebted for the original suggestion that resulted in this completed volume and for his valuable criticisms of the manuscript; Mrs. Franklin Edgerton, who examined and digested every article bearing upon our subject; Mr. A. Edgar Goetz, the lighting specialist, who wrote the pages on Office Illumination in Chapter IV; Messrs. E. C. Wolff, Geo. B. Everitt, F. C. Henderschott, H. M. Jefferson and George C. Smith, who read the manuscript and offered many helpful criticisms and suggestions.

J. WILLIAM SCHULZE.

*New York, N. Y., August, 1913.*

# **PART I**

## **OFFICE ORGANIZATION**



# CHAPTER I

## INTRODUCTION

### Organization Defined

An organization is a combination of all the elements necessary to bring about a desired result. We have an efficient organization when the elements are combined in such a manner that they will operate harmoniously, accurately and promptly, and will achieve the result required with the least expenditure of money and effort. The elements of any organization are men, equipment and space. This is true whether we speak of a factory organization, a political organization, or an office organization.

### What Is Meant by "Office?"

Most people would say offhand that an office is a large room or a number of rooms in which are stationed the desks used by individuals "fortunate" enough to have desks for their personal use. This conception is sufficient for ordinary purposes, but when an attempt is made to organize office routine it is soon found that a much more definite meaning must be given to the term. In order to understand the exact scope of an office, as the term is used in this book, it will be necessary for us to go back to the basic organization of the ordinary business concern.

### Four Basic Divisions of Business

Every business has, fundamentally, four basic divisions: the producing division, the selling division, the financial division and the accounting division. Each has its specialized functions to perform.

The producing end of a business turns out the article to be sold. All the persons connected with manufacturing details are primarily called upon to apply whatever creative and technical skill they have at their command to the production of the article or articles dealt in, at the lowest possible cost, in the quickest possible time, and in the most perfect possible form. Having accomplished this result, their duties may be said to have been performed.

It may be argued that in a trading concern there is no such department. That is true, of course. There is, however, a buying activity—an element which provides the article to be sold. Such a division corresponds to the production department in a manufacturing business.

Likewise in banks, insurance companies, and similar establishments, there is no manufacturing department. But in banks we have the continuous opening of new lines of credit; in insurance companies we have the actuarial department, and so on. The general division into four distinct branches can be traced in almost every business, although in some cases the distinctions may not be so clearly defined. To make the situation as clear as possible, the manufacturing type of business is here taken as a model.

When the finished article is placed in the sales or stock room to be sold, the sales department comes upon the scene. It is the duty of the sales-manager and the force under his supervision to sell the goods turned out by the manufacturing department. If the sales division—and this includes the advertising department—can sell all the merchandise a concern manufactures, nothing more can be asked of it.

The financial division is charged with the duty of providing the funds needed in all the operations of a business. Capital is required to manufacture, to advertise, to provide salaries and expenses for salesmen and occasionally funds are needed to distribute in profits or dividends. These funds must, in the long run, come from customers to whom the sales have been made.

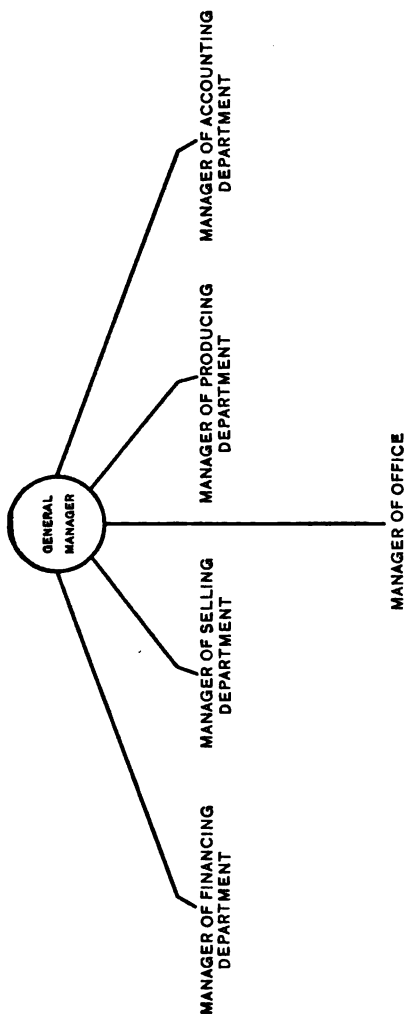
Bank's bonds and other sources of credit are in the regular course of business drawn upon for funds.

The accounting division also has a definite function to perform, namely, that of recording all the company's transactions and of tabulating and presenting in proper form the results of these transactions. These reports form the basis for determining the concern's future activities. The cost reports, for instance, indicate whether prices are high, low or normal; whether costs are in correct proportion to sales as compared with other periods; and whether particular departments of the business are falling below normal, or rising above normal in efficiency.

#### Office Defined

These four divisions require a mass of clerical and other office work. Aside from the typing, mailing and filing of correspondence, and the carrying of messages to and from other departments and other concerns, there are numerous details, like the handling of quotations and order records, and all manner of files and records such as those dealing with salesmen, prospects, magazines, credit, legal business and clippings to be attended to.

The organization and management of these purely office details is a function far removed from the functions of the producing, selling, financial and accounting divisions. It is here that we find the line of distinction between the office and the four departments. The office proper, therefore, is that part of the business which is concerned with the clerical details required by the entire business organization. It is of no particular moment whether the office is a distinctly separate division or whether its parts are scattered among various departments. In large concerns there is an office manager in control of the office proper. In smaller concerns we find more often than not that the executive in charge of one of the other departments is also in charge of the office. This does not, however, affect our fundamental principle, namely, that the office is a fifth unit in the entire organization—a sort of "fifth wheel." It is not a sub-department of one of the four divisions described, but a



**CHART SHOWING OFFICE FIFTH UNIT IN A BUSINESS ORGANIZATION**

**Chart II.**

sub-department of them all. This is illustrated by the accompanying Chart II.

### **Military and Functional Organizations.**

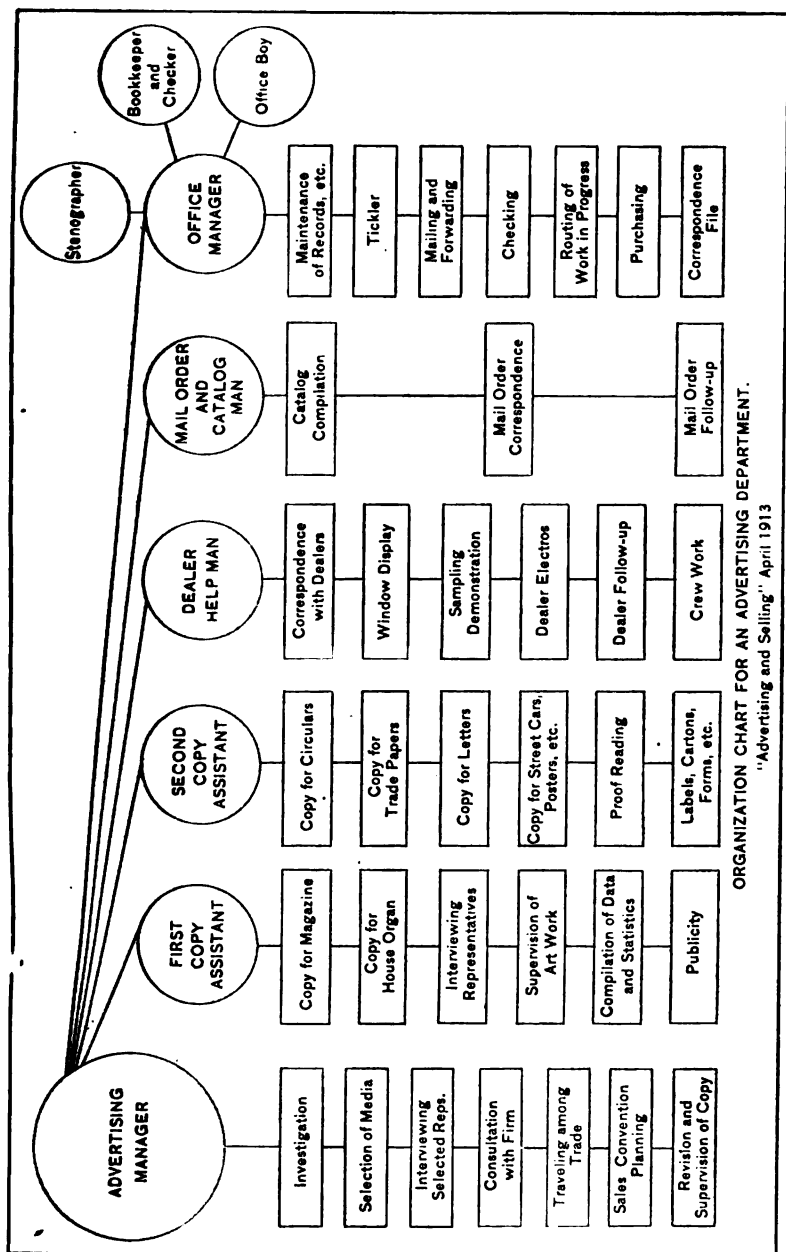
Mr. Frederick Winslow Taylor divided organizations into two kinds, military and functional.\* Under the military organization, one man has supreme authority over a branch of the company's work. If his duties were properly fulfilled, such a man would actually be an expert in many branches of business knowledge. The foreman who hires and fires, plans the work, supervises the cost accounting system and has charge of new construction, operates under the military plan. The advertising manager who tries to direct the filing of correspondence, the typing of letters, the keeping of card and other records, also operates under the military plan. Chart III illustrates this type of organization, which Mr. Taylor points out is inefficient. \* \*

Under the functional type of organization each worker, whether executive or clerk, has as few functions as possible to perform. The advertising manager, for example, would have nothing to do with office duties under the functional plan of organization. The chart shown on page 15 illustrates an office organization arranged on the functional plan.

We find many kinds of office organization between the purely functional and the purely military. Every office must be modeled according to the prevailing conditions. The tendency should be—and, in fact, seems to be—toward relieving executives of the duties of office organization and management and placing these details in charge of a person trained to cope with them. Whether that person be called office manager, chief clerk, secretary or some other title, matters little, provided he have the authority and the ability to properly manage a complete office force centralized under his control.

\*Major Charles DeLano Hine in his book, "Modern Organization," describes the unit system of organization employed on the Union Pacific Lines. This is a type of functional organization peculiarly adaptable to the railroad business by reason of its scattered forces.

\* \* "Shop Management" by F. W. Taylor.



ORGANIZATION CHART FOR AN ADVERTISING DEPARTMENT.  
"Advertising and Selling" April 1913

Chart III.

## **CHAPTER II**

### **OFFICE EMPLOYEES**

#### **Men the Basis of Successful Enterprise**

Having formed a clear idea of what is meant when we speak of an office in the strict sense and of its relation to a business as a whole, we are now ready to discuss the component parts of an office organization. In the previous chapter it was pointed out that one of the elements of an organization is men. It is the human element in any organization that is mainly responsible for its success or failure. With the right kind of human material, the most efficient mechanical appliances and the highest grade of work will be a matter of course. Live employees will naturally suggest from time to time the methods which will enable them to most efficiently perform their work.

This is universally acknowledged by business systemizers. For instance, James Hartness in his "Human Factor in Works Managements" speaks of it as follows: "Efficiency of the organization as a whole depends upon the co-ordination of its various elements and, since the men in the organization constitute the most important of all its elements, we must see to it that there is the most perfect co-ordination of their movements."

#### **The Office Manager—His Qualifications**

The office manager or chief clerk should be selected with especial care. This is true not only of the manager of a large office in which one person has the entire charge of the office, but also of the man in charge of the smaller office. When it is necessary to place the office in charge of an executive who also has

supervision of some other department, care should be exercised to see that the executive possesses the necessary qualifications.

Executive ability is the first requisite of an office manager. Herbert G. Stockwell in his book, "Essential Elements of Business Character," says "Executive ability consists in getting the right men in the right places and keeping them willingly at the top notch." The help-wanted advertising columns in the newspapers are full of advertisements in which the persons seeking positions profess to have executive ability. As a matter of fact, this highly important quality is rare. It involves a knowledge of human strength, frailties and characteristics, since a large part of the manager's task is to find the right men for the jobs under him.

A broad point of view combined with the ability to sense the importance of details, the power to direct others and the ability to maintain a happy, harmonious spirit throughout the organization are also essential. This latter power is largely dependent on the characteristic of adaptability.

### Accountant's Training Valuable

The office manager should understand the principles underlying the conduct of the manufacturing, sales, advertising, financial, credit, accounting and other departments. He need not necessarily be an expert in each. But since his work brings him into close contact with them all, and since he is responsible for the clerical details connected with them, it is obvious that he must, at least, understand the importance of their work. Otherwise there will be a tendency to undervalue the needs of one department and overestimate those of another, in proportion to the degree to which he is familiar with them.

For this reason the person with accounting training is usually a logical candidate for the office manager's job. The accountant's work not only gives him an insight into the various branches of a business taken individually, but his training in combining the results of their transactions into unified reports enables him to understand the scope and policy of a business as



a whole. This knowledge is of great importance in the direction of subordinates. It gives a man the first essential in transmitting to others an understanding of the concern's business policies, and enables him to keep his force in harmony with them.

### Other Essentials

Business education is another important factor in the office manager's make-up. It gives him not only a broader view point but a certain poise and sureness of manner. A man thus equipped will be better able to command respect from his subordinates.

Obviously, in the handling of a multitude of details, it is necessary that the person at the head possess a mind that will quickly and almost automatically classify these details into orderly, systematic groups. Otherwise he would constantly be swamped with a mass of little things that should be handled in a bulk. On the other hand, it is essential that he be able to grasp the importance of details, and to see that they are properly taken care of. The necessity of having the chief executive confine himself to the big things in his work can not be too strongly emphasized. It has often been said that there would be more \$50,000 men in the world if there were more men who could ignore details.

J. Pierpont Morgan is reported as having said that he could step into the shoes of any one of his employees at a moment's notice. The man at the head of an office should be able to almost do that. It cannot be expected of him, of course, that he be as expert a typist or file clerk as those in his employ charged with these duties. The statement must be accepted in its broad sense. It means simply that an office manager should be able to meet emergencies. The value of a manager is not so easily determined when everything is in smooth running order; his ability to deal promptly and accurately with emergencies is the final test.

The quality of courtesy is one that never should be lacking in an office manager. Having it, he will always commend his

subordinates for unusually good results, he will handle the correspondence so as never to give offence to customers.

Neither should there be an absence of enthusiasm. That quality will carry him far toward the successful handling of his employees, the most important of his duties.

One of the most valuable assets of an ideal office manager is his outside interests. The man who is a member of a board of trade, an educational society, a university club or some other association where he meets modern business men and exchanges ideas with them, is of far greater value to a business concern than the man who is satisfied to read his evening paper and play a game of pinochle after dinner. The view point of men who have similar problems to solve is worth having. Progress is too often impeded because of the failure to go beyond the four walls of a business for ideas and new points of view.

Sympathy, decision, patience, sense of fairness, tolerance, firmness—all these are, obviously, necessary characteristics. Their importance will be made clear in later chapters dealing with the actual management of office affairs.

### Finding Right Kind of Office Employees

To find the right kind of office employees for office positions is by no means an easy task. A wealth of character-reading, insight and vision is involved. The fourteen year old youngster who stands respectfully before you, hat in hand, fearful lest he won't suit, is chuck full of possibilities. It remains to be seen whether these possibilities fit in with your policies and ideas. If he is made of the right kind of material this boy will in time hold a responsible position in the office. If he is not, he should not be engaged in the first place.

Mr. Walter D. Fuller, of the Curtis Publishing Company, Philadelphia, estimated that, prior to the establishment of their employment department, it cost the company one hundred dollars for every satisfactory clerk placed on the payroll. This cost is, of course, an estimate; it is very difficult to obtain accurate statistics of this sort. The amount of material spoiled, the sal-

ary uselessly paid, and the mistakes resulting in loss of business made up the figure stated above. Another investigation showed that office employees cost on an average from 15 to 18 per cent of their salaries during the first three months.\*

It will be readily seen that in an office of from fifty to one thousand clerks the original investment is heavy. It is important, therefore, that as much care be taken in employing people in the first place as would be taken in entering into an ordinary business contract.

The office manager or chief clerk may as well make up his mind at once that the hiring of female clerks is an uncertain problem at the best, due to the fact that so many girls marry just when they have become most efficient. Occasionally this possibility may be foreseen. More often it cannot.

#### Sources Upon Which to Draw

There are five general sources to which application for office employees may be made:

First—Daily newspapers.

Second—Employment agencies.

Third—Business colleges, high schools and universities.

Fourth—Magazines and trade papers.

Fifth—Present employees, business friends, etc.

Ordinarily it is not wise to answer situation wanted advertisements appearing in the newspapers. While fundamentally there is no reason why a person with services to sell should not advertise them, experience has proved that the character of such services when advertised in the newspaper columns is not usually of a high order.

It is much better to advertise for help. If the advertising copy has been prepared with care, it will draw responses from people who already hold positions which for one reason or another are unsatisfactory. In answer to a recent newspaper advertisement for a librarian, a New York business house received

\*"Breaking in the New Employee," L. S. Weatherby, *Business*, March, 1912.

letters from five women drawing salaries of \$50.00 a week. They explained that there were no further chances for advancement in their present positions.

It would be hard to say just what class of employees might be secured through the newspapers. A great deal depends upon the editorial policy of the paper. For office employees the morning paper appealing to the more intelligent business men and women has brought the best type of replies, although not the greatest number. Sunday newspapers are apt to bring the largest number of replies.

### Blind Ads

While the ideal way to select applicants is to interview each one, this becomes a physical impossibility in the case of replies to newspaper advertisements. The replies to insertions in the metropolitan dailies are so heavy usually that some other method must be used. The "blind" ad is the most common substitute. If the copy is full of individuality and is worded so that it will appeal to the type of employee desired and if it calls for lengthy replies, it is possible to draw out answers that will result in a fairly satisfactory first selection. The following advertisement was successful in this respect:

**WANTED**—An alert, ambitious young man to take charge of the books and other office details in a growing manufacturing business. There is an opportunity for the right chap to connect with a concern with which he may grow; will be given charge of the office as soon as he is able to handle it; the salary will not be large at first; it will depend more or less upon the ability of the man. Write a long letter telling all about yourself. Ambitious, Box I, 119 Times.

This was a substitute for the advertisement below which was unsuccessful:

**WANTED**—Ambitious bookkeeper, chance for advancement.  
Reply Bookkeeper, Box 132, Times.

### High Grade Office Employees

Advertising assistants, accountants, correspondents and employees of this character can best be secured through trade paper

advertisements and from employment bureaus of universities—especially university schools of commerce.

A number of the larger concerns have made standing arrangements with employment agencies, high schools and business colleges to send them likely candidates whenever they appear. Such an arrangement obviates a great deal of detail, such as reading letters of application and interviewing people. These agencies become familiar with the policy of the concern they serve and soon learn what type of employee is desired.

### University Trained Men

Some of the big institutions have established a policy of employing college men whenever possible. The Western Electric Company, for example, each year asks the deans and professors of a number of colleges and universities for the names of graduates whom they would recommend for positions in the company. It has been estimated that fifty per cent of the college and university graduates now enter business. About half of these have positions waiting for them, which have been supplied by relatives and influential friends. The balance are sought by business houses for technical and commercial positions.

The following letter is an example of the kind of requests constantly received by the heads of colleges and universities for candidates for office and shop positions:

(Name of President of College or University.)

DEAR SIR:

This Company has always been interested in the college man. It has been its policy to hold the door for preferment wide open to the non-college man who could "make good," recognizing at the same time that year in and year out the college trained man of the proper sort has characteristics particularly desirable in the building up and maintenance of the Company's business.

It is the policy of the Company to recognize that the college man's training is an asset to it, commensurate in some degree to the immediate value of time after grammar school-age definitely made to shorten for the college man in every possible way, the elementary apprenticeship necessary to any man entering the Company's employ. In this way, the college man is given every advantage to put himself, in very short time, on an even

basis with others in knowledge of the Company's business. Once on this basis, his college education ought to enhance his ability to earn the higher positions.

All the men whom we have in our student course, we take with every attention of keeping and advancing, provided that only they are capable of concentrated work and have minds somewhat disciplined and with definite potentiality for development.

We have courses looking toward engineering, positions in the manufacturing department, and commercial work in the branch houses. In each of these, we attempt to give special training which will equip the college graduates to cover in a few months, ground which it would take much longer to go over in any other way, if, indeed, no thorough training in the Company's business could be secured in any other way.

We take the man just out of college and put him into one department to learn the methods of that department. As soon as he has some knowledge of this, we transfer him to a second department in which he can learn the methods there, and so on, throughout his period of training. We keep him thus under our supervision from six months to a year, paying a living wage of ten dollars for the first six months, and fifteen dollars a week for the second six and eighteen at the beginning of the second year. Meanwhile, we have placed that man, after his training, in some desirable department where it will be possible for him to begin his work with all the advantage of a good perspective of the Company's business. The latter point is important, for a man who enters any large company through a single department is likely to require a very long time before he gains any comprehension of what other departments are doing and meanwhile he is at a serious disadvantage.

We have received some very able men into the Company, in years past, from (name of college or university), and I shall be exceedingly glad if it proves feasible to renew the connection and to enroll three or four of your good men this year, along with men that we are taking from other colleges, for training for future usefulness to the Company and to themselves.

The university graduate, by reason of his training in analyzing and classifying readily, is, all other things being equal, one of the most promising candidates for business positions. Recently established university schools of commerce which have now been proved successful are turning out first class material for commercial positions. These graduates, aside from their general training in analyzing and grasping the broad phases of a situation, are instructed in the fundamental principles of business and in many of its technical features.

### Selecting Employees

Finding candidates for office positions is not, however, the most difficult problem the office manager has to face in engaging assistants. Just how to select the right person is a much more difficult task.

As has been indicated, every employee on the payroll represents an actual money investment. As a business proposition each employee must produce results that will warrant the investment. Sentiment cannot be a basic feature in any employment contract. First and foremost comes the question "will it pay us to employ this person?" Four factors must be considered in answering this question:

Ability	Personality
Character	Health

The employee must be able to do the work to which he (or she) is assigned; he must possess the right elements of character and the right characteristics to fit in with the standards already prevailing in the office; his personality must be such as to cause little or no friction with his co-workers; he must be strong enough physically to endure the constant strain upon his supply of energy and, in addition, must be free from infectious diseases.

Mr. C. P. Murphy, in the issue of *System* for April, 1913, outlines the principles that have been found most valuable in hiring employees.

"The principle behind the right selection of a man is the *standardization of the requirements of the place*. By keen study one can set down specifications for the position and interpret the language which a man's life writes upon his face, form, etc.

"Standardization—the knowledge of the average in jobs and in men—is essential to accurate hiring of help.

"One way to set up standards that avoid the 'personal equation' is to look for the characteristics which the man who failed to fill the job lacked."

Standardized requirements for every position are the basis of one employment plan to which hundreds look for places and promotions. An employment committee in conference with de-

partment heads put on paper the requirements of all places, the value of the work done, the faults of average workers. The resulting specifications enable all routine positions to be arranged in definite grades to determine work.

1. Put into writing the qualifications of the position as you know it.

2. Have the men closest to that work check your specifications.

3. Study similar work and workers in other concerns.

4. Check over and adjust all positions in the direction of definite standards.

5. With every experience which shows you some new requirement of the position, some chance to do away with what has been considered a requirement, revise your written estimate of the place and its duties.

6. Consciously measure applicants by these standards.

By this simple routine you can match precise specifications against the haphazard choice of the employer who is merely "working for a man." Equip yourself to buy labor just as you equip yourself to make bids.

### Character Analysis

Under the four heads already mentioned a number of indications must be watched. Much thought has been given to this subject during recent years. Dr. Katherine M. H. Blackford has established a system for analyzing the physical and mental ability of an applicant to satisfactorily fill a given position as well as his character and characteristics. Dr. Winthrop D. Talbot has also given this subject much attention, as has Professor Hugo Muensterburg, of Harvard University. Dr. Muensterburg's experiments are considered especially valuable.

### Professor Merton's Charts

Prof. Holmes W. Merton has worked out charts indicating the high and low powers of an applicant—the various faculties that are commonly possessed by men. This chart which ap-



peared in "Business" magazine for May, 1912, is reproduced herewith in figure 1.

The high or low power of each faculty is determined by the answers to questions, and by whatever information can be obtained as to the applicant's performances. The chart reproduced is that of a man selected to fill a \$10,000 executive position in a big iron and steel concern. He was obliged to build up an exceptionally weak territory. Energy, foresight and aggressiveness were essential. This method of charting has frequently been employed with success.

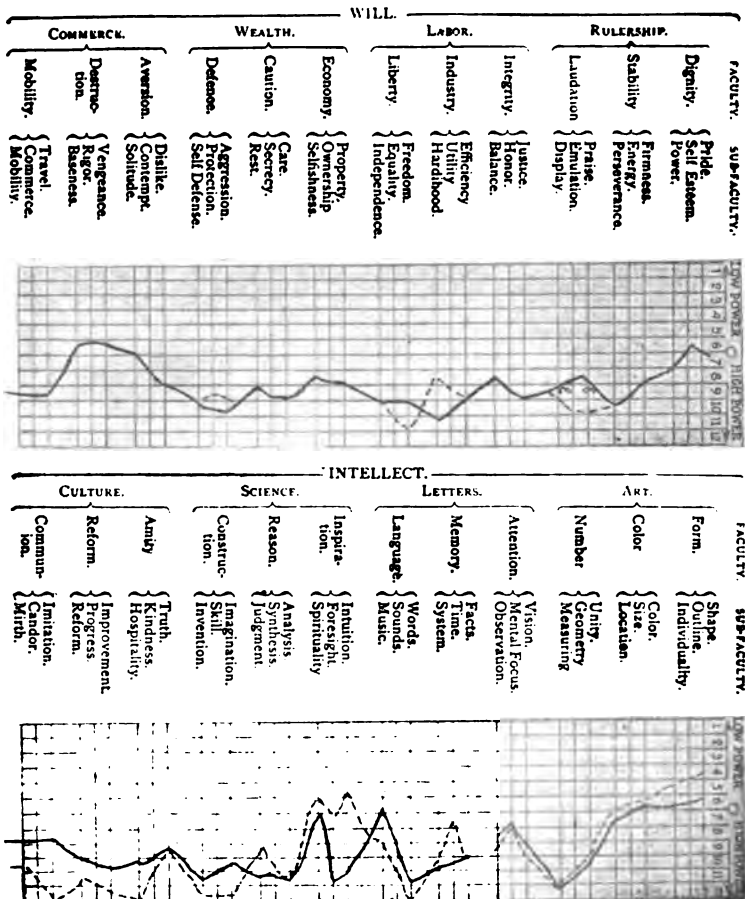


FIG. 1—Prof. Merton's Charts.

### Employment Department

In offices employing from three hundred to one thousand employees there is usually an employment department which specializes in standardizing questions that will show, as conclusively as possible, the fitness of a candidate for the particular work required.

In the Curtis Publishing Company, in the National Cloak and Suit Company, in some of the big insurance companies, and in other large concerns, there are such departments. In the concern first mentioned, applicants receive a nominal compensation of fifty cents a day for travelling and lunch expenses. They are kept in a training school long enough to determine through tests on actual work and through observation whether or not they should be engaged. This method does away with the usual necessity of having competent employees diverted from their work to teach new comers. It also eliminates expensive mistakes, disorganization and so on. It is claimed that the employment department of the Curtis Publishing Company has reduced the cost of placing each clerk on the payroll from \$100 to \$10.

### How to Interview an Applicant

Few offices are large enough to warrant the establishment of an employment department. In other cases, however, it is possible, through the use of the right kind of questions, observations and tests to determine much more satisfactorily than is generally done, the desirability of employing an applicant. The additional time and attention necessary is, in the long run, warranted. The following list of questions has been used with success:

Name? Living with parents or boarding?

Married?

Address? How many children?

Age?

Nationality?

What primary school did you attend? How long?

When did you graduate?

What secondary school did you attend?      How long?  
When did you graduate?

What college or university did you attend?      How  
long?      When did you graduate?      Did you pay  
your own expenses?      How?

What business college or technical school did you attend?  
How long?      When did you graduate?

What was your first business position?

What were your duties?      How often were you pro-  
moted?      What was your salary when you started and  
when you left?      How long were you employed in this  
position?      Why did you leave?      What was the  
name of the person to whom you reported?      And the  
same questions as applied to each position you have held  
since?

Have you at present any friends still employed by these  
concerns?

Do you subscribe regularly to any magazines?      If so,  
what are they?

What business books have you read?      Name some of  
the books of fiction, travel and science you have read.

What newspapers do you read?      What sections of  
these papers interest you most?

Are you a member of any athletic, social or church organ-  
ization?      What are they?

Do you engage regularly in any athletic sports?  
What are they?

How often have you been ill?      What was the nature  
of these attacks?

Have you any hobby such as music, painting, drawing,  
etc.?      What is it?

Have you any other source of income in addition to that  
from your place of employment?

Do you own any real estate?

Have you a savings account?      What bank or banks?

Are you insured?      What kind of insurance?

Technical questions designed to ascertain candidate's fitness for position applied for; for example, in the case of a book-keeper—what is a controlling account? What is a trial balance? What is a balance sheet? What is a columnar cash book? etc., etc.

### Tests

The answers to these questions indicate generally the education, training, characteristics and ambition of an applicant. They do not furnish conclusive proof as to his ability. It is at this point that the employment department in the large concerns prove valuable, because it is difficult, within a few hours, or a day, to obtain a satisfactory knowledge of an applicant's ability. Many people when placed under temporary tests become nervous and cannot do their best work. A number of concerns allow applicants one week in which to prove their fitness; others recognizing that the test should cover as long a period as possible, yet unwilling to devote too much time and energy, have placed one day as the limit. Some have special desks, typewriting machines, phonograph machines and the like set aside for these tests. After the preliminary questions have been answered to the satisfaction of the office manager, or chief clerk, the applicant is asked to report for work with the understanding that the engagement is temporary. He does not know what the period of trial will be. The following test, for example, is employed by one office manager testing typists.

A new typist is given a locker in the coatroom and is assigned to the special typewriter. She does not know, however, that it is not a machine in regular use. In every way she is made to feel that she is now a regular member of the force, except that she is given to understand that permanency depends upon her ability. Unimportant work is given her in the regular way.

About eleven o'clock in the morning the chief of the typing department gives her a letter of 1,080 words to copy, remarking casually that it is wanted quickly. Without her knowledge, a record of the time required to type this letter is taken.

The record speed previously made was 70 words a minute for copying. This is regarded as 100 per cent, and the applicant is graded on that basis. She must reach a mark of at least 75 per cent in this test in order to pass. The candidate is required to copy the 1,080 words in, at least, twenty-one minutes. For every typographical error she makes, two words per minute are deducted from her record.

After the letter has been typed, more work of routine nature is given her. About three o'clock in the afternoon she is given the following letter to copy:

Mr. Albert B. Carroll\* Ybor\* City, Florida.

In establishing a billing ssystem\* in a business like yours, much depends upon the size of the business like yours, much depends upon the size of the business.

ordinarily,\* lumber concerns use an Autograph Register. This is a little metal stand\* containing two or three rolls of paper depending upon whether two or three copies are wanted. The sheets pass under the opening\* at the top which provides the writing space. Carbon Sheets\* on rolls pass between the sheets of paper.

As a quantity of lumber goes out of the yard, the yardman makes out a sales slip on the Autograph Register, turns the handle and tears off the copies. Two copies usually goes\* with the driver\* one he leaves with the customer and on the other he gets his receipt. The third copy is a bases\* for the bill and charge system.

You certainly should have a salesbook but it would be a waste of time to copy these slips into the sales-books and then make out the bills. If i\* were in your place I should write to the elliot\* fisher\* company\* and the underwood\* typewriter\* company\* for descriptions of some of the systems they have installed in lumber concerns. With the use of a typewriter or a billing machine you can make out the customers bill, the\*sales-book entry, the charge to the customers ledger account and a brief statement of the day's charges in one writing. Any of the companies handling these machines will provide you with forms.

By operating\* a sales-book and posting at the end of the month to the credit of the sales account, you can simplify your accounting routine materially. the\* merchandise account to which you refer, is generally divided into two parts. The inventory at the beginning of the period is charged to it and all purchases during the month are also charged to it. At the end of the month or at the end of the period\* whenever you close your books\* the inventory is credited to the merchandise account. The difference is the cost of raw material used. The other part of the merchandise account is the sales account to which are credited all the sales made. The difference between the two parts shows the gross profit on the companies\* profits.

This, of course, is a brief explanation of the situation. There are variations\* and modifications depending altogether upon the nature of the business."

NOTE.—The \* indicates errors in spelling, capitalization and punctuation which should be corrected. There are twenty-four errors, eighteen of which must be corrected.

It will be seen that this letter is full of clerical errors. The girl is asked to correct errors in spelling and the like that she may find. The passing mark in this test is also 75 per cent; that is, she must correct at least 75 per cent of the errors.

Similar tests are applied to stenographers, phonograph operators, bill clerks, entry clerks and others.

The result of these tests, taken together with the facts brought out in the interviews, determine whether or not an applicant shall be employed. They have been found to solve satisfactorily the problem of selecting applicants.

All of the facts brought out in these interviews and tests are recorded for future use. Detailed description of these records will be found in Chapter XIX.

## CHAPTER III

### OFFICE APPLIANCES

#### General

Under the head of the second element in organization—equipment—come the office appliances that are now being used to increase office efficiency.

It is only during the last few years that rapid progress has been made in substituting mechanical power for hand power. The tremendous volume of work turned out by some of the large offices in the country would be impossible were it not for the machinery that has been installed in them. Many concerns now have from \$100,000 to \$200,000 invested in office appliances and other equipment.

An office appliance is economical, first, when there is enough work to keep it profitably employed; second, when the reduction in salary and overhead costs exceeds the cost of operating it; third, when by reason of its accuracy, expensive mistakes are eliminated; fourth, when the character and appearance of the work it produces is much superior to handwork; fifth, when the greater volume of work produced is an important factor. It is not within the province of this book to distinguish between one type of a particular office appliance and another. Nor is the treatise on office appliances intended to serve as a catalog. The names of some of the well known types are mentioned as illustrations merely: the reader is advised to examine all types when contemplating the purchase of any office machine. The chief purpose of this chapter is to point out the various *kinds* of machines used to facilitate efficient production in an office; some

of the essential factors in the care of these machines will also be discussed.

### **The Typewriter**

The first and the most important mechanical contrivance introduced into the office was the typewriter. It has now become as fixed in business life as the telephone and electric light.

The important things to know about a typewriter are first, whether it is durable; second, whether its action is such as to produce the maximum speed without tiring the operator too much; third, how to keep it in perfect condition.

Unless a purchaser has some mechanical ability he cannot determine, without calling in a mechanical expert which machine will last the longest and give the best satisfaction. Inquiries addressed to users, the reputation of the concern, and factors of this nature, must help him decide. The speed of a typewriter can be determined by tests. Almost every company will furnish a machine on trial for, at least, ten days. The visible type of machine, which enables the operator to see the work she has done without lifting the carriage is a feature which enables an operator to derive speed from the machine; other such features are, the rapidity of the escapement, the nature of the paper feed, the time saving features, such as selector keys, tabulating keys, ball-bearing movements

The principal thing to know in the care of a typewriter is that it must regularly be cleaned and oiled. The type should be brushed and a drop or two of oil placed on the rods and in the oil cups at least once a week. The oil should, however, be distributed with a soft cloth along the rods. The machine should be dusted daily.

### **The Noiseless Typewriter**

A new type of machine has made its appearance on the market. It is called the noiseless typewriter. Its advantages over the other machines is that the type bar is jointed so that the type slides against the paper instead of striking it full. In the Hill Publishing Company, where there are two hundred office



employees, thirty-five of these noiseless machines are in use. A visitor sitting in the reception room, which is not far from the typing department and only separated by a few low book cases, cannot hear the typists at work. The machines are more expensive than the old style. However in an office where noise is an important factor, they are a decided convenience.

### Dictating Machines

The dictating machine is rapidly becoming as popular as the typewriter. The President's Commission on Economy and Efficiency, which was appointed by President Taft when he was in office, made a thorough test of the value of the dictating machine. In its report it strongly recommended the installation of dictating machines, pointing out that whereas the cost per letter by the stenographic method was four and three-tenths cents, by the phonographic method the average cost was reduced to two and seven-tenths cents. The commission installed in its offices sixteen dictation machines for experimental purposes. Careful record was kept of the rate of speed in turning out work by the phonographic as compared with the stenographic method. The result of the ten week experiment is presented in the following table:

PERIOD 10 WEEKS	STENOGRAPHIC WORK		DICTATING MACHINE	
	Number of Words	per Min.	Number of Words	per min.
First Week .....	29,328	28	65,260	22
Second Week .....	11,112	24	28,812	20
Third Week .....	11,268	20	54,612	35
Fourth Week .....	12,012	18	40,884	27
Fifth Week .....	8,652	29	55,982	38
Sixth Week .....	26,544	18	18,608	50
Seventh Week .....	23,124	24	60,096	45
Eighth Week .....	26,484	21	18,624	61
Ninth Week .....	38,448	23	54,548	49
Tenth Week .....	18,778	28	30,018	41
Total averages for 10 weeks.....		22		38
Total averages for first 5 weeks.....		23		28
Total averages for last 5 weeks.....		21		49

These tests were made in other departments as well. The results of a five week test in the Rural Free Delivery Division in the Post Office Department are also given herewith:

Stenographer or phonograph oper- ator number	Steno- graphic average for five Weeks	Phonographic average for						
		First	Second	Third	Fourth	Fifth	Sixth	Seventh
		Week	Week	Week	Week	Week	Week	Week
1 .....	29	28	17	24	19	21	29	34
2 .....	18	8	11	12	14	..	..	11
3 .....	14	6	11	12	18	21	30	39
4 .....	14	9	17	18	15	28	14	..
5 .....	15	14	18	19	..	..	19	16
6 .....	..	14	18	..	..	..	..	..
7 .....	..	..	4	..	..	..	..	..
8 .....	..	15	16	..	..	..	..	..
9 .....	..	18	..	..	..	..	..	..
10 .....	28	21	20	22	22	39	29	30
11 .....	..	28	31	24	28	10	17	40
12 .....	19	20	18	15	16	17	26	28
13 .....	28	18	24	24	28	22	35	42
14 .....	9	..	..	..	..	..	..	..
15 .....	..	6	9	15	18	..	..	..
16 .....	18	..	..	10	12	10	26	..
17 .....	..	9	6	..	..	..	..	..
18 .....	..	20	23	22	21	29	29	28
19 .....	9	10	15	18	25	15	29	..
20 .....	..	10	12	14	5	8	39	36
21 .....	..	..	15	18	12	17	28	27
22 .....	..	..	..	..	..	26	25	20
23 .....	18	11	12	11	15	19	20	21
24 .....	..	..	8	..	..	..	..	..
General Averages..	14.67	14	14	17	17	19	26	32
Percentage of increase over week next pre- ceding .....	0	0	0	21	0	11	36	28

The Commission estimated that a saving of \$500,000 a year would be effected if these machines were installed in all the executive departments in Washington.

The Burroughs Adding Machine Company actually saved, in salaries of stenographers and machine operators, \$5,772 in one year, through the introduction of dictating machines, although during that time the number of dictators increased 13 per cent. Had the stenographic method still been in existence the additional cost of typing the dictation of the added dictators would have been \$2,078; the additional typewriter desks and chairs would have entailed a further outlay of at least \$500.

While the machine has proved a decided time and money saver for correspondence and amanuensis work, it is not efficient for tabulating or technical work. The dictation is not always

clear. In special work of this nature, only a few inaccuracies will cause considerable confusion.

### Methods of Operation

There are two dictating machines now in existence—the Dictaphone, manufactured by the Columbia Phonograph Company, and the Business Phonograph, invented and manufactured by Thomas A. Edison. There is considerable difference of opinion as to which is the better. Only a test can determine the advantage of one over the other, in any given office.

The method of handling is practically the same in both cases. The dictator has the “recording” machine on his desk or on a stand at his elbow. The mechanism is similar to that of any ordinary phonograph, the mechanical features being adapted to business conditions. A cylindrical wax record is placed in the machine and held in place by a spring, while the dictator through a tube or horn dictates his mail or other matter just as he would to a stenographer. On a pad specially ruled he indicates the beginning and end of each letter on the cylinder, as well as any corrections or instructions he desires to communicate to the operator.

When the cylinder is full of dictated matter, he removes it and replaces it with a fresh cylinder. A boy from time to time carries the records to the “reproducing” machines. These reproducing machines are essentially the same as the recording machines except that the needle is different. The operator is provided with a head-piece which holds a tube to each ear, thus shutting out outside noises and giving her full opportunity to concentrate on the dictation. Her hands are also free to operate the machine, handle mail and cylinders.

The cylinders, after the dictation is transcribed, are placed on a shaving machine. A very thin layer of the wax is removed so that the cylinder may be used again and again.

The objection at first made was that the dictating machines would injure the hearing of the operators. This, however, has

been proved a fallacy. Girls who at first opposed the introduction of the dictating machine now generally approve of it.

The advantages of the dictating machine methods are, (1) the operator devotes all her time to typing; (2) she can regulate the speed at which she receives dictation, there being no pauses and no interruptions; (3) she receives at first hand the inflections of the voice so that proper punctuation is facilitated; (4) the dictator can dictate his mail whenever it pleases him; he does not have to gather his mail and wait until it is all ready for dictation; (5) he does not have to send away a stenographer when a visitor calls; (6) he can dictate as long as he pleases whether or not there are stenographers present (thus when the force has gone home, or is out to lunch, he may still go on dictating); (7) by placing a machine in his home he may dictate overflow work or ideas that come to him.

### Calculating Machines

The desire for accuracy in the footing of long columns of figures, in calculating prices on thousands of bills, requiring much multiplication, addition, division and subtraction, has called forth the inventive ability of mechanical geniuses so that we now have machines capable of doing this work much more rapidly than expert mathematicians could do it. The human element with its fallibilities is almost entirely eliminated. In thirty seconds it is possible on an adding machine to find accurately the total of fifty amounts containing six figures each. In the same time a bill of a dozen items can be extended, footed and proved. Many of the machines on the market are also capable of dividing and subtracting with similar rapidity.

In considering the advisability of installing a calculating machine, it is necessary, as in the case of installing any other office equipment, to analyze closely the work that will be required of the appliance. One of the first questions that must be answered is whether a listing or a non-listing machine should be purchased. Wherever it is necessary that a record be kept of the figures upon which mathematical results are based, the type

of calculating machine that is known as a listing machine will be needed. Where permanent records of these figures are not required, however, as in cases where it is desired to verify mathematical calculations, the non-listing type of machine is better, because it is cheaper and more rapid. The non-lister is acknowledged to be faster even when the calculation is made twice in order to prove the correctness of the totals.

### **Listing Machines**

The best known types of listing machines are the Burroughs, the Wales and the Dalton. The Burroughs Adding Machine was the first ever made (in 1892).

The usual method of operating a listing machine is to depress keys representing the figures to be added, and then to pull a handle which prints the figures controlled by the keys and automatically performs the calculation desired. Most machines are equipped with appliances that enables one to correct errors before they are printed on the paper and before they are included in the calculation. There are also machines which are equipped for printing tons, hundredweights, pounds, years, feet, inches, hours, minutes, seconds, pounds, shillings, pence and fractions so that bills and statements may be made out directly on the machine. Many modern machines are operated by electricity.

### **Non-Listing Machines**

The non-listing machine, to which class the Comptometer, Ensign, Millionaire, Brunsviga and others belong, does not record the figures entering into a calculation. In some cases by merely pressing the required keys, calculation is automatically made and shown in openings at the top or the bottom of the machine. In other cases, it is necessary in addition to operate a lever or handle. The advantage in these cases is that the previous total and the next amount to enter the calculation are both shown in the machine at the same time.

### **Other Points to Consider**

Not only is it necessary to determine whether a listing or a

non-listing machine is required, but the size of the amounts must be considered—that is to say, whether amounts will not exceed \$9,999.99 or whether larger amounts will occasionally be used.

The speed and durability of the machine must also be taken into consideration, since each machine represents an investment from \$150 to \$950. A well made calculating machine should last at least fifteen years. Some of the machines made in 1892 are still in use.

One point that should be carefully watched, and that is often overlooked, is the possibility of causing an error through not pressing the keys down far enough. On some of the machines one can, with the keys indicating the larger numbers, record any number below by simply pressing the keys down part way. At this writing a device that prevents partial pressures is being introduced on the new non-listing machines.

### Billing Machines

Bookkeeping today is largely a matter of machinery. Formerly it was necessary for a bookkeeper to make separate entries in bound books of all the data required for financial and statistical purposes. With the introduction of card and loose leaf records and of billing machines it is now possible to make fifteen or more different records at one writing and to prove their accuracy almost automatically. As a matter of fact, the companies manufacturing these billing machines now call them "Bookkeeping Machines," a term really legitimate.

The ordinary billing or bookkeeping machine is provided with a flat bed instead of the round platen found on the typewriter. The keyboard is essentially the standard keyboard used in typewriting machines, but it is located at the top of the machine instead of at the bottom.

Adding registers—as many as may be required—are supplied. These registers may be moved to add the figures typed in any given column.

By placing the blanks with carbon sheets between them on the flat bed and shifting the carriage from column to column

and from top to bottom, the required entries are made in the proper spaces. The figures in each column are automatically added in the registers. When the work is completed the operator is provided not only with the records desired but with the necessary totals.

There are three popular billing machines now in use—the Elliott-Fisher, the Moon-Hopkins and the Underwood. The Elliott-Fisher, a flat bed machine, will perform many different kinds of work, while the Moon-Hopkins will add, multiply, divide and subtract, which no other billing machine can do.

### The Hollerith Machine

In large concerns where much tabulation of statistics is required, and where the accounting system is complex, as it is in the American Telephone and Telegraph Company, for example, a tabulating and adding machine known as the Hollerith Machine is frequently used. This device is almost uncanny in its action. There are three parts. One is a small punching machine with keys like those on a typewriter, the second is the sorting machine and the other is the adding device.

Small cards, like that reproduced herewith, are used. Every item which figures in the classification is given a number. On the card shown here, for example, the classifications are according to date, the city or state from which orders are received, the salesman who secured the orders, the general class of materials ordered, the branch factory from which shipment is to be made, the catalog number of the particular article ordered, the style number, the number of feet of radiation and the money value of the order. An order taken on the 12th day of July would be punched in the first column at 7, in the second column at 1, and in the third column at 2. If the order were taken in Massachusetts, for example, and the number assigned to Massachusetts were 56, the card would be punched at 5 in the fourth column and 6 in the fifth column. Every salesman in the force is given a number. Suppose the salesman were No. 34. In the sixth column the figure 3 and in the seventh column the figure 4 would

RADIATION SALES ACCOUNTS											
12	Day	City or State	Salesman	Ship'ng Point	Radiat'r No	Style No,	Footage		Money		
11			X	X		X	X	X	X	X	
10	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
1	1	1 1	1 1 1	1 1 1	1 1 1	1 1	1 1	1 1	1 1	1 1	1 1
2	2 2	2 2	2 2 2	2 2 2	2 2 2	2 2	2 2	2 2	2 2	2 2	2 2
3	3 3	3 3	3 3 3	3 3 3	3 3 3	3 3	3 3	3 3	3 3	3 3	3 3
4	4 4	4 4	4 4 4	4 4 4	4 4 4	4 4	4 4	4 4	4 4	4 4	4 4
5	5 5	5 5	5 5 5	5 5 5	5 5 5	5 5	5 5	5 5	5 5	5 5	5 5
6	6 6	6 6	6 6 6	6 6 6	6 6 6	6 6	6 6	6 6	6 6	6 6	6 6
7	7 7	7 7	7 7 7	7 7 7	7 7 7	7 7	7 7	7 7	7 7	7 7	7 7
8	Dr.	8 8	8 8 8	8 8 8	8 8 8	8 8	8 8	8 8	8 8	8 8	8 8
9	Ct.	9 9	9 9 9	9 9 9	9 9 9	9 9	9 9	9 9	9 9	9 9	9 9

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FIG. 2—Card for Hollerith Machines.



be punched. The radiator ordered, let us say, belongs to class 7. In the ninth column we would punch the figure 7. Shipment is to be made from the New York factory, which may be given number 9. The 0 in the tenth column and figure 9 in the eleventh column would be punched. The same procedure would be followed in punching the numbers assigned to the balance of the classifications.

After the cards are punched, they are all thrown into the assorting machine, and assorted according to the classifications desired. It will be noticed that small Xs appear at the heads of five different columns. To find the footage and total of orders taken by each salesman the machine would be set to classify according to the first column in which the X appears. Automatically, the cards will be assorted by the machine according to salesman—that is, all the cards for orders taken by salesman No. 34 will be gathered into one lot, all those by salesman No. 35 in another, and so on.

The cards are then taken to the adding device. Automatically it will add the total number of orders taken, the total footage represented by those orders and their total money value.

The same procedure is followed to find the number, footage and money value of radiators shipped from given points; and the same information is found in the same way as applied to style numbers and radiator numbers.

Any desired classifications may be provided for. In the chapter on "Records for the Advertising and Sales Department" is a reference to the use of this machine for sales statistics in the National Cash Register Company.

#### Office Cash Register

The National Cash Register Company has recently pointed out that their cash register can be used to good advantage in the office.

By printing on each deposit slip the total amount of the deposit (which must agree with the written figures), and by printing on each check that is drawn the amount of the check,

the daily bank balance is kept on the register. Adding counters on the register automatically add each day's deposits to the total of the deposits up to that time, and add the amount of each to the total previously drawn; the difference is the present bank balance. In addition to the running information thus obtained, there is a degree of protection if the registration is made by a person who has not drawn the deposit slip or the check.

In the same manner incoming goods, bills paid, sales, moneys received on account, and petty cash expenditures may be registered and totalled continuously, so that a daily statement of the essential features of a business may be quickly drawn.

### Copying Machines

The old fashioned copying press in which each letter after having been typed with an indelible ribbon was copied in a tissue paper copy book is fast disappearing. It is used principally in offices where it is desired to keep authentic "original" records which would stand in court. The cumbersomeness of this method of copying letters has however, minimized the value of authenticity in copies. The value of the time wasted usually far exceeds the possible loss in a law suit which might be due to failure to establish an original record.

### Rotary Copiers

In many offices, however, rotary letter copying machines are supplanting not only the old style copy presses, but the later method of making carbon copies. The rotary copy presses, especially when driven by power, save, in large offices, considerable time and cost by eliminating the motions necessary for the insertion of the carbon sheets and second sheets on which the carbon copies are made.

Rotary copy presses are equipped with rolls of paper almost as thin as tissue paper. This paper is continuous and runs on rollers, being moistened en route. It is only necessary to set typewritten or handwritten letters between two rolls, face downward. The roll of paper on which the letters are copied runs on a square winding reel, each side of the square being eleven

inches long—the regular length of ordinary business paper. Here they dry and when they are taken off they are cut to the regular letter head size with a cutter operated either by power or by hand. The carbons are then ready for filing. There is no good reason for the claim often made that copies made in this manner are often illegible. Ordinary care will prevent that sort of thing. They are, however, flimsy and difficult to handle.

### Duplicating Machines

The tremendous amount of sales literature daily produced by business houses has made it necessary that some machine that would turn out facsimile letters rapidly and neatly be invented. The highest types of these machines now in use can turn out letters that have the appearance of originally typewritten and signed letters. Only a very close examination will detect the difference between the “real thing” and the facsimile.

In the old style Edison rotary and Rotary Neostyle, which are mimeographing machines, specially prepared paper which is perforated like an ordinary stencil is used in combination with what is known as a “silk sheet” and placed around a cylinder. This sheet when inked reproduces the typewritten stenciled characters on a letter head or whatever other paper is run through the machine.

Another much cheaper type of duplicating machine is that represented by the “Beck,” the “Daus” and the “Commercial” duplicators. In spite of their crude appearance, these little duplicators are very valuable for inter-departmental communications and for forms, when only twenty to sixty copies are required. The operation consists merely of wetting the film-like paper provided with the machine and laying the original work to be copied face down on the moistened paper. Copies are made by placing sheets of plain paper over the film, which acts as a negative, and by passing a rubber hand roller over them.

The more modern machines, however, are the Multigraph, the Flexotype, the Writerpress, the Printograph and others of this character. Actual type is set on these machines in a man-

ner similar to that used on a printing press except that in the case of some of the machines the setting arrangement is much more convenient. The old rotary principle of the Edison and Neostyle is still retained but the impression is made from type through an ordinary typewriter ribbon instead of through a stencil sheet. The addition of motor, self-feeding, and self-inking devices have made it possible to turn out 5,000 or more letters an hour.

It is also possible with these machines to print circulars and booklets by using printing type and electrotypes. The work thus turned out compares very favorably with that produced by a bona fide printing establishment, and is, of course, very much cheaper.

#### Points to Bear in Mind

Some of the important things to watch in the selection of a duplicating machine are: first, its capacity for handling work of various sizes and character; second, the possibility of easily breaking type; third, the quality of the work produced; that is to say, in the case of fac-simile letters, for example, whether the color matches ordinary typewritten color, whether the fabric effect is produced, whether the punctuation marks punch holes in the paper, whether the alignment is too mechanically even, and so on; fourth, its simplicity of operation; fifth, its mechanical perfection. The heavy short lines need particular watching. In every letter there are short lines, such as the salutation, complimentary close and ends of sentences. The pressure is concentrated on these short lines and in a large run is apt to result in making them appear heavier than the balance of the letter. In some of the machines this is overcome.

#### Automatic Typewriter

A new type of duplicating machine has recently made its appearance on the market. This machine is built on the player piano principle. An actual typewriter is part of the machine itself. The keys are connected with pneumatic tubes, which in turn are controlled by strips of paper perforated in the same

way that music reels are perforated. The perforations are made on a special machine, in appearance like a typewriter.

The operation of the machine is similar to the operation of an ordinary typewriter. The keys move up and down. Each motion prints one character on the paper. It is not, of course, possible to obtain anything like the speed produced by the machines described above, but the speed is greater than that of a typist, because the machine is continuously in motion.

A separate perforated stencil strip containing holes representing names and addresses and changes in the body of the letter, when used in the machine, will control the mechanism in such a manner that each letter when turned out will be complete, the name and address to whom it is going, and the proper references to dates, names and so on in the body of the letter, being typed in the proper places. This is done by means of a master hole which controls the alternate shifting of the perforated holes to the printing position.

In one test, with which the author is familiar, it was found that the cost of the stencils would more than eat up the saving in salaries. In this case it was cheaper to have an \$8 a week girl do the work, although her work was not as accurate. The cost of these machines is also somewhat high. It is hoped, however, that the machine will some day be as generally used as the Linotype and the Monotype machines in printing establishments.

### Addressing Machines

In offices where a great many persons are addressed at regular or irregular intervals, some sort of addressing machine is advisable. The Addressograph, the Belknap, the Rapid, the Elliott and the Montague are the best known types on the market.

The principle upon which all of these machines operate is that of printing by means of a plate or stencil which is stamped in advance and kept in drawers for frequent use.

In the Addressograph and Montague metal plates with raised letters are used. The other machines require stencils.

These machines may also be provided with motors, increasing the speed and eliminating fatigue. Some are equipped with patent stopping, skipping, duplicating and triplicating appliances. Safety devices have also been applied.

The addressing machine may be used in a number of different ways—addressing bills or statements, at the first of the month, together with the envelopes in which statements are to be mailed; addressing labels for periodicals, at the same time skipping the expirations and automatically notifying the operator so that expiration notices may be sent, for example.

Here, as in the case of most mechanical appliances, considerable difference of opinion prevails as to which is the best machine for any given purpose. The Curtis Publishing Company uses the Belknap Addressing Machine in addressing subscribers for the Saturday Evening Post, the Ladies Home Journal and the County Gentleman; also for addressing agents and boys who sell these publications at stands and on the street. Each name and address is cut on either wax paper or a silk stencil. The addresses are printed through these stencils on long strips of paper which are sent in rolls to the shipping department and there clipped off and pasted on the publications being mailed by means of a patent clipper held in the hand.

Other concerns find other machines more practicable. The Addressograph is very popular by reason of the raised plate and the facility with which the plates may be handled. In the case of the stencil machines, stencil plates may be made on a typewriter which is provided with a plate for holding the small stenciled sheets in place without rolling them around the platens. Plates for the Addressograph may also be made in the office by cutting them on the Graphotype, a machine especially built for this purpose.

### Stamping and Sealing Machines

The same need that exists for a machine to address envelopes

has also called forth a number of sealing and stamping devices. The most prominent now on the market are the Mailometer, the Simplex, the Thexton and the Automatic.

None of these machines has, however, reached perfection. Practically every sealer and stamp affixer gets into trouble—some of them sooner than others. Perhaps the best type of machine now used is the Mailometer, which both seals and stamps envelopes. Most of the other machines are equipped to perform only one operation, either sealing or stamping.

The usual troubles, in the case of the sealer, are

1—That the device which moistens the envelope gets out of order and allows either too much water or not enough to trickle on the felt tongue or on the roller over which the gummed flap of the envelope passes.

2—Envelopes do not always pass into the machine in the right position, so that the flaps become twisted and folded, thus giving the finished work a soiled and mussy appearance.

In the case of stamp affixers, the stamps are apt to become clogged in the machine, often making it necessary to take the machine apart before it is possible to proceed with the work.

In purchasing sealing and stamping machines the following features should be carefully examined:

#### Sealing Machines

First—Whether envelopes of various thicknesses and sizes can be handled without making adjustments.

Second—Whether the moistening device is so arranged that it will require no other attention than filling a water tank.

Third—Whether care must be exercised in placing the envelopes in the machine so that they will go through evenly, or whether the machine automatically takes care of this arrangement.

Fourth—The possibility of twisting, folding or turning the envelopes in the machine.

**Fifth**—Speed at which the machine can be operated by the person who will be called upon to do the work (from five to six thousand envelopes an hour is the average).

#### **Stamp Affixers**

**Sixth**—Whether stamps may be locked in the machine so that they cannot be removed except by the person who has the key.

**Seventh**—Whether the machine registers the number of stamps used.

**Eighth**—The possibility of stamps becoming clogged in the machine.

**Ninth**—Simplicity.

**Tenth**—Speed.

The machine which both seals and affixes stamps and which can be run by motor is, of course, most efficient in a large office. In small offices one of the other machines, not so expensive, can be made to do the work required.

#### **Pencil Sharpeners**

It is no longer considered economy to have each clerk sharpen his or her own pencil. In many offices the office boys make it their business to sharpen enough pencils for a morning's or a day's use before the day's business begins. Each clerk has on his desk one or two pencils sharpened all ready for use. A number of mechanical pencil sharpeners are now on the market. Among them are the Roneo, Automatic, Jumbo, Climax and Boston.

It is important to remember first of all that distinction should be made between sharpeners intended for the desk or individual, and those intended for general office use. The latter are specially built to stand the heavier strain. It is not always cheapest in the long run to buy the sharpener that costs least, because the cheapest pencil sharpeners are almost always intended for individual use.

Modern standards demand of a pencil sharpening machine that it shall point all styles of pencils from ordinary lead to



crayon; that it shall give any desired point from blunt to needle; that it shall automatically stop cutting when the pencil is sharpened. The last feature is important because the most trouble has come from the breaking of points due to the fact that some machines keep on sharpening until stopped. The latest machines are also so arranged that pencils feed automatically after they are inserted instead of being fed by hand.

A pencil sharpener should not require much care. The office boy's tendency to tinker with and improve office appliances is responsible for many of the complaints lodged against pencil sharpeners, as well as against other office machines. The individual desk sharpener requires practically no attention. The general office machine should receive a drop or two of oil once a week.

### Time Clocks

In offices employing a hundred people or more, some mechanical method of checking their arrivals and departures must be used. Office employees are rarely paid on the hour or day basis, so that the time clock does not become necessary in order to record the actual number of hours' work. But to overcome the "late habit" the time clock is an invaluable aid.

The machine most used in offices is the International. There are two racks, one on each side of the machine, the one on the left showing the people in the office, the one on the right showing those that are out. A card or envelope bearing the employee's number is placed in the machine as indicated in the cut, and the time is stamped in the proper place on the card by pressing a lever. If the employee is on his way out he places it in the proper groove in the rack to the right; if he is coming in he uses the rack to the left. The cards are gathered each week, and any system of fining those who are habitually late is easily put in operation. The "lates" are indicated in red.

A very simple aid in determining the amount of time spent on various office operations has recently been placed on sale.

# COMPTOCARD

TRADE MARK

NOTE. To find ELAPSED TIME deduct lesser cancellation from greater and point off one place to the left.

121	122	123	124	125	126	1
★	★	★	★	★	★	★
111	112	113	114	115	116	1
★	★	★	★	★	★	★
101	102	103	104	105	106	1
★	★	★	★	★	★	★
91	92	93	94	95	96	9
★	★	★	★	★	★	★
81	82	83	84	85	86	8
★	★	★	★	★	★	★
71	72	73	74	75	76	7
★	★	★	★	★	★	★
61	62	63	64	65	66	6
★	★	★	★	★	★	★
51	52	53	54	55	56	5
★	★	★	★	★	★	★
41	42	43	44	45	46	4
★	★	★	★	★	★	★
31	32	33	34	35	36	3
★	★	★	★	★	★	★
21	22	23	24	25	26	2
★	★	★	★	★	★	★
11	12	13	14	15	16	1
★	★	★	★	★	★	★
1	2	3	4	5	6	
★	★	★	★	★	★	★

Elapsed Time	Rate per Hour
7 Hours	\$ Ton

BACK

Form No. 855-100M-6 18

## CRUCIBLE STEEL CO. OF AMERICA SPAULDING and JENNINGS CO.

Date \_\_\_\_\_ Order No. \_\_\_\_\_  
 Emp. No. \_\_\_\_\_ Name \_\_\_\_\_  
 Mach. No. \_\_\_\_\_ Dept. \_\_\_\_\_  
 Grade \_\_\_\_\_  
 Size Started \_\_\_\_\_  
 " Finished \_\_\_\_\_  
 Weight \_\_\_\_\_

Remarks: \_\_\_\_\_ Day Shift ★  
 Night Shift ★

Hour	Minutes								
6	6	12	18	24	30	36	42	48	54
▲	★	★	★	★	★	★	★	★	★
7	6	12	18	24	30	36	42	48	54
▲	★	★	★	★	★	★	★	★	★
8	6	12	18	24	30	36	42	48	54
▲	★	★	★	★	★	★	★	★	★
9	6	12	18	24	30	36	42	48	54
▲	★	★	★	★	★	★	★	★	★
10	6	12	18	24	30	36	42	48	54
▲	★	★	★	★	★	★	★	★	★
11	6	12	18	24	30	36	42	48	54
▲	★	★	★	★	★	★	★	★	★
12	6	12	18	24	30	36	42	48	54
▲	★	★	★	★	★	★	★	★	★
1	6	12	18	24	30	36	42	48	54
▲	★	★	★	★	★	★	★	★	★
2	6	12	18	24	30	36	42	48	54
▲	★	★	★	★	★	★	★	★	★
3	6	12	18	24	30	36	42	48	54
▲	★	★	★	★	★	★	★	★	★
4	6	12	18	24	30	36	42	48	54
▲	★	★	★	★	★	★	★	★	★
5	6	12	18	24	30	36	42	48	54
▲	★	★	★	★	★	★	★	★	★
6	6	12	18	24	30	36	42	48	54
▲	★	★	★	★	★	★	★	★	★

All Rights Reserved Patents Pending  
 N. T. PICKER, Pres. FACTORY METHODS CO.  
 30 Church Street, New York, N. Y.

FRONT

Fig. 3—Comptocard—Front and Back.

It is a patented card ruled as shown in the cuts herewith. The Comptocard is intended primarily for factories, in determining the elapsed time spent on each order, but it has been used in offices to obtain records of time required in performing such operations as sending out selling literature, turning out facsimile work on duplicating machines, and other operations of this nature.

The starting and finishing times are punched in the proper squares. The punches automatically cancel numbers on the reverse side of the card. The difference between these numbers is the time elapsed. For example, work begun at 9:12 in the morning and finished at 4:42 in the afternoon would be represented by the cancelled numbers 88 and 23. By simply subtracting the lesser from the greater number and pointing off one place to the left the time is found to be 6.5 hours.

#### Folding Machines

One of the new machines recently placed in use is the folding machine. The most popular now in existence is the Universal. These machines, with proper adjustment, are capable of making seven different kinds of folds. As a matter of fact they will fold satisfactorily the ordinary mail that goes out of an office.

They begin to be economical when a concern sends out from 500 to 1,000 pieces of mail a day. In special tests they have folded from thirty to fifty thousand pieces a day, at an average cost of one cent per fold per thousand. A comparison between this price and the prices charged by concerns who do this kind of work (the charges run from 15 to 25 cents per fold per thousand) indicates the economy that is possible.

Folding machines are apt to accumulate considerable dust, grit and other substances that come from handling the paper. Therefore, they should be thoroughly cleaned with a cloth at least once a day and the gears should be brushed out and oiled regularly according to the amount of use the machine is given.

#### Check Signing Machines

The Standard Oil Company was confronted with the prob

lem of signing from two to three hundred thousand stock certificates issued by reason of the dissolution mandate handed down by the Supreme Court in 1912. The mechanical labor necessary in signing these certificates loomed up as an appalling task. Just about that time the Signagraph was perfected. With its aid 14,000 checks or stock certificates can be signed in a little under three hours. Twenty thousand checks have been signed by one writer in a business day.

The machine is operated by a monitor pen which controls a series of fountain pens that respond to the slightest touch of the monitor penholder. The operating pens record on the check or the stock certificate the exact signature outlined by the operator with the monitor pen. The signed checks drop into a receiving tray and a new set of unsigned checks are quickly drawn under the pens. The Signagraph is used very largely in making out pay and dividend checks.

### Stenographic Machines

Another new device designed to perform the same service to stenography that typewriting has performed to longhand is the Stenotype.

The Stenotype operator, instead of using a pencil and making short hand notes, records dictation directly on the Stenotype machine. With the aid of twenty-two keys she prints on a strip of paper letter characters in combinations which can be read by any one familiar with the code used. The strips are taken out and transcribed in the same way as stenographic notes are transcribed.

The advantages claimed for the machine are threefold: First, that a Stenotype operator can take dictation more quickly than a stenographer; second, that the work is more accurate; third, that any one at all familiar with the code can read the notes, which is not true of the stenographic system.

It is easy for the operator to take down 150 words a minute. An experienced operator can take down 200 words a minute. The Stenotype notes reproduced herewith show part of the notes

for the following newspaper article, the whole of which was taken down in 1 minute and 37 seconds.\*

### Relief for the Newsdealers

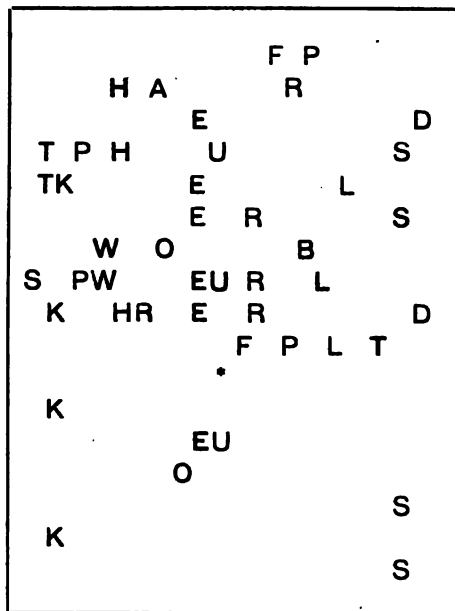


FIG. 4.

"The Aldermen have it in their power to effect the transfer of the licensing of newsstands from their own jurisdiction to that of the Mayor's Bureau of Licenses without adopting the proposed ordinance which the newsdealers declare will subject them to blackmail. As an alternative, another ordinance has been introduced, eliminating the objectionable requirement that the name and address of an applicant for a newsstand privilege must be posted on the premises that he desires to secure, with the date for a public hearing on the application. Such procedure would only subject the applicant to petty grafting

and the ordinance eliminating it should be adopted.

"This substitute ordinance, which was introduced by Alderman Curran, has the approval of the New York Newsdealers' Association, which does not oppose the transfer of the licensing authority. This ordinance is, further, much broader, including in its provisions the transfer of the licensing also of fruit, bootblack and all other stands in line with the recommendation of Mayor Gaynor. If the Aldermen should, in adopting it, include provisions permitting the location of newsstands on streets where the stoop line has been abolished and at the rear and sides of subway kiosks, the troubles of the much harried newsdealers would be entirely cleared."

The accuracy claim is based on the fact that instead of there being one sign to represent a word, as in stenography, a number of letters are printed on the strip, each word ordinarily containing more than two letters, so that while one character

\*Timed by the author.

may be printed in error the remaining letters indicate the correct word.

The machines are not sold to commercial houses nor are there at present many in use. The plan is to have business colleges teach Stenotype operating to some of their students. These students buy the machines. The result is that there is a competent operator for every machine in use.

The probability is that the Stenotype will eventually take the place of stenography in offices where personal dictation will always be required; whereas the dictating machine will be used in correspondence departments, and by persons who dictate many letters and are not too nervous to let the interruption required by the attention to the mechanical features of the phonograph disconcert them.

#### Telautograph

To avoid constant telephoning between departments and to otherwise facilitate the rapid sending of messages to and fro, an ingenious electrical device known as the Telautograph has been invented. With the Telautograph it is possible for a clerk in one part of a building, by merely writing with an electrically attached pen on part of a paper roll inserted in a master machine, to communicate instructions and other messages to persons in other parts of the building or in a building several miles away. The master pen is connected by wires with a specially constructed fountain pen in the receiving instrument. Each stroke by the master pen is reproduced by the receiving pen.

In banks and mercantile houses where it is necessary to ascertain the credit standing of a person desiring to have a check certified, or of a customer desiring to purchase further goods on credit, the teller or salesman can silently, accurately and quickly get the information he wants from the credit or bookkeeping department, as the case may be. In offices, between the entrance hall and the inner office, the Telautograph is also valuable in announcing the names and business of callers without communicating by telephone or office boy.

Any number of branch receiving machines may be in communication with the master transmitting machine. Consequently the Telautograph becomes valuable in announcing a message in a number of places at the same time. In some concerns an out-of-town customer is announced in several departments simultaneously. The general manager, the sales manager, the credit man and others who are likely to converse with the customer immediately familiarize themselves with his records of purchases, complaints, payments and miscellaneous communications. When the customer eventually meets these men he finds them not only cordial but thoroughly conversant with his previous dealings with the house. They refer familiarly to his complaint that shipments are not made fast enough or comment upon his promptness in meeting payments. The customer goes away with the feeling that the concern is ever watchful of his interests.

For speed, silence, accuracy in transmitting messages and keeping permanent records of them there is probably no more efficient mechanism in use.

### Dictographs

The Dictograph was first used in obtaining evidence against criminals. A receiving instrument is placed in the room where the conversation which is to be overheard is held. This instrument is connected by wires with recorders in as many other parts of the building as may be elected, the receiver being placed to the ears of assistants. Many business men now apply the Dictograph to every day business use.

By merely pressing a lever in the master station located on the top of the manager's desk connection may be made with assistants in other rooms. An executive may dictate to his secretary in another office; issue instructions to his department heads and enable his assistants to overhear conferences without moving from his chair. The person talks into the room just as he would converse to a caller sitting at his desk. He does not need to hold a transmitter; the machine picks up the voice even though the person talking should be twelve or fifteen feet away. The

Dictograph is an especially valuable aid to the executive who desires to have his personality permeate throughout his establishment.

### Numbering Machines

A very useful machine in offices where it frequently becomes necessary to number consecutively, or in duplicate, cards, envelopes, or other stationery, is the numbering machine, a cut of which is herewith reproduced. These little handstamps are very convenient when it is desired to number post cards, return envelopes, and other mail matter, for "keying" purposes; also for numbering requisition slips, order blanks and other office stationery. There are machines of various sizes and designs. The ordinary machine can be adjusted so that numbers can be printed consecutively or in duplicate. They can also be adjusted so that the same number can be printed over and over again as often as desired.

### Lamson Carriers

In many large offices, such as Sears Roebuck and Company and other concerns where a number of floors in a large building are necessary, pneumatic carriers for sending messages from one department to another are used. Lamson Carriers are most often used. A cylindrical receptacle numbered with the proper station number (that is, the department to which it is designated) is placed in a pneumatic tube and carried to a central station. There a boy transfers it to a tube going to the station for which the message is intended. These carriers make it unnecessary to maintain a large, unwieldy force of errand boys, who would otherwise be continuously engaged in carrying messages from one department to another.

### Mail Openers

In offices where from 50 to 150 letters are opened each morning, one of the small hand mail opening machines—such as the Simplex—is a decided time saver. While not much money



saving is involved, promptness in distributing mail is an important factor.

When more than this amount of mail is handled a power machine such as the Lightning Letter Opener or the Rapid Mail Opener is advisable. With such a machine it is only necessary to feed the envelopes, regardless of size, between two rollers automatically carrying each envelope to the proper position. A knife shaves off a very narrow edge—the width capable of regulation.

### Paper Fastening Machines

There are a number of devices for fastening together a number of sheets of paper. In most of the machines a number of metal staples—the style depending upon the nature of the machine—are fed into a receptacle provided for them. The papers to be fastened are placed under a plunger which when pushed down with some force will automatically punch one of the staples through the papers, turning in the points on the other side.

A very efficient little machine is the Clipless Paper Fastener, which does not require a staple of any kind. The machine, in one operation, cuts out a small tongue of paper which is cut at the same time. The particular advantage of this method is that it obviates the use of clips, thus saving much space in the files and the cost of staples.

### Photographing Machines

Many concerns have adopted the practice of photographing their ledger accounts at the end of each month. Instead of typing statements or writing them with pen and ink, a photograph of the ledger account is made and sent the customers. There are machines especially adapted to commercial uses of this sort—notably the Photostat and Rectigraph. Insurance companies now generally photograph the original applications of policy-holders showing the signatures, and attach the photographs to the original policies. The machines are also used

for quick reproductions of important contracts, orders, letters, reports and other data.

### Check Protectors

Machines for stamping, punching, printing or otherwise marking checks to prevent "raising" are probably too well known to warrant more than passing notice. The Protectograph and Peerless machines are quite common. The usual practice is to print on the checks NOT OVER (THE AMOUNT). Recently, however, an innovation has been introduced making it possible to print the exact amount of the check—fully spelled out—directly in the space provided. By means of male and female matrices the paper is roughed so that "raising" becomes almost impossible. This method is superior to the machines which stamp "not over (the amount)." On these machines there is usually considerable latitude within which the figures may be raised. A check for \$5001.00 would probably be stamped "not over six thousand dollars," leaving \$999 to the unscrupulous check-raiser. Larger amounts may be still further raised.

## CHAPTER IV

### THE PHYSICAL OFFICE

#### Desks

Possibly one of the most progressive concerns in the world is William Lever & Sons, Birkenhead, England, manufacturers of Sunlight Soap. Their excellent treatment of employees is especially famous, yet when you go into their offices you find long rows of old fashioned high bookkeepers' desks and the old style high stools still in use. No attention, apparently, has been given to efficient office equipment. There is no reason why the tool an office employee uses should not be chosen with as much care as the tools chosen for the factory mechanic. There is, for every given operation, for every work that is to be done, some method that is the best method, and some tool or equipment that is the best tool or equipment. This is just as true of office machinery and office furniture as it is of a riveting machine, a lathe or a cutting machine.

The desk is the most used piece of furniture in the office. The office employee is at it constantly. The highest type of working efficiency in a desk is obtained when the desk itself is so constructed and so arranged that it does not in the slightest degree interfere with the progress of a person's work, but, on the other hand, aids in every possible way.

#### Sanitary Desks

It is now a well established principle that "sanitary" desks are much preferable to the old style "unsanitary" type. In the former the drawers begin about six or eight inches from the floor; in the latter there are four drawers, usually on either

side, instead of three, and they begin about three inches from the floor, the remaining three inches being covered with a panel. In other words, the unsanitary desks are boarded from the floor to the top, whereas the sanitary desk stands on thin legs. The difference is that no dust or dirt can accumulate under the latter without being seen.

### Flat versus Roll Top

The roll top desk is also fast disappearing from efficiently managed offices. The chief objection to the roll top is that it becomes a receptacle for important papers which are forgotten. The pigeon holes become filled with "truck" which may as well be thrown away, and is only occupying valuable space. Most papers that are filed in the pigeon holes should be placed in the files where they are accessible to every one who needs them. Confidential matters can be kept as well in the flat top desk as in the roll top. Moreover, the unnecessary height of a roll top desk cuts off valuable light and air.

### Desk Material

The material of which a desk should be made is a matter of choice. Many offices have recently been equipped with metal furniture throughout. There is no distinct advantage in favor of metal furniture. On the contrary, wooden desks are from many points of view far superior. The question of material is discussed in greater detail under the head of Filing Cabinets.

In purchasing desks it is wiser to get the best grade at once, rather than to buy cheaply constructed furniture; the price is lower in the long run. It will cost more to repair and maintain poor furniture than the initial saving in price.

### Arrangement of Desk Drawers

Many motions in an office are wasted through the improper arrangement of desk drawers and the equipment on the desk for handling papers. In most offices, clerks' desks are equipped with too much drawer space. The result is that matters which would be attended to if they were obliged to be on top of the

desk are filed away in the drawers and forgotten until forcibly brought to the attention of an executive through a customer's complaint. Desks, as well as other office furniture, should be standardized as much as it is possible to do so.

A study should be made of the requirements of each person in the office and a desk that is suited to those requirements should be installed in each case. It will be found that for most purposes a 48-inch desk without a center drawer, with two drawers on either side, will be sufficient. Only in cases of employees charged with executive duties should it be necessary to use larger desks. Much space can also be saved by using double desks whenever possible.

#### Standardized Desk Drawers

By also standardizing the use of the drawer in the desks throughout the office, it is possible to cut down waste of stationery and loss of motions. For example, in one concern, the general rule is that the top left hand drawer is used for current unfinished work; the lower left hand drawer is used for towels and personal articles; there is no center drawer in most of the desks. The top right hand drawer is filled with convenient sized compartments for lead pencils, erasers, rubber bands, pins, clips, letter heads and envelopes (the use of the center drawer for this purpose is inefficient; each time the drawer is opened the chair must be moved backward and the body placed in an awkward position); the lower right hand drawer is used for loose leaf binders containing instructions issued by the office manager and other officials from time to time. These desks are used only for clerks, not for stenographers or typists. The office manager knows that he can go at any time to any desk and discover all the work that is unfinished by looking into the upper left hand drawer. Periodical inspections are made, and it is insisted upon that the drawers be used in the manner instructed. Larger desks similarly standardized are used for executives.

The following copies of inspection reports indicate what



Combination Card Trays and Desks. (See page 71.)



can be done in this respect. They also indicate the improvement that is possible.

## REPORT OF 1ST INSPECTION

General Accounting Dept.

Jan. 15

As per Bulletin No. 7, the rating for "excellent" is 50 points, with deductions for disorder, misplaced furniture, etc.

*General Bookkeeping*—Dept. Rating 42.1.

General Appearance, 45. Inkwells and other small stuff on desks should be kept cleaner.

G. A. Babcock—Desk Inspection, 35.

Too many papers holding in desk; paper on the floor around waste basket.

W. A. Gorrell—Desk 40.

Turn the carbon paper over to stenographer (if it is good); turn the old ledger cards over to Mr. Baeder.

E. C. Wilson—Desk 35.

Charge slips in 4 drawers; too much "junk."

W. L. Johnson—Desk 40.

Too much stationery.

M. A. Langas—Desk 40.

Papers not in best order; comptometer left uncovered; large drawer of desk not good appearance.

Miss Paskert—Desk 45.

*Factory Bookkeeping*—Dept. Rating 42.5.

General Appearance, 45. Books on top cabinet not neatly arranged.

J. O. Kaser—Desk 35.

Too large supply of stationery; lot of old stuff—(take up with A.W.B. and arrange a file or place for it).

J. I. Watkins—Desk 45.

L. G. Hadde—Desk 45.

Too much stationery.

A. E. Perkes—Desk 35.

Can greatly improve appearance of papers in desk.

H. E. Isham—Desk 40.

*Sales Cost*—Dept. Rating 42.

General Appearance, 45.

F. E. Gallup—Desk 40.

Papers not neatly arranged.

B. N. Buem—Desk 40.

Papers too much scattered.

E. Rosfelder—Desk 40.

Miss Schmitz—Desk 45.

Good appearance.

C. C. Bellett—Desk 40.



*L. O. Bookkeeping*—Dept. Rating 48.8.

General Appearance, 45. Comptometer box on the floor under desk;  
comptometer boxes on floor under window.

W. Komanec—Desk 45.

Large drawer will stand overhauling.

R. G. Standen—Desk 40.

Papers not neatly kept.

Miss Grimes—Desk 40.

Papers not neatly kept.

*P. & S. Cost*—Dept. Rating 42.5.

General Appearance, 45. Stuff on floor not neatly arranged. Too  
much "junk."

W. Hartman—Desk 40.

Papers not neatly arranged; too many catalogues.

H. B. Gehrke—Desk 40.

Papers not neatly arranged.

Mr. Kraus—Desk 40.

Old papers should be disposed of (see Messrs. Hartman and  
Baeder).

L. F. Goldenbogen—Desk 40.

Not as orderly as might be.

H. R. Horsburgh—Desk 40.

*Voucher*—Dept. Rating 48.8.

General Appearance:

W. M. Morfoot—Desk 40.

What are the old binders kept for?

C. F. Brinker—Desk 45.

Too much stationery; two drawers not orderly.

F. W. Hudec—Desk 45.

H. H. Sippel—Desk 35.

Too much stationery; large drawer not in best order; transportation  
vouchers should be handled and disposed of.

A. Dittebrand—Desk 40.

General appearance not up to the mark; keep comptometer on  
top of desk and covered at night.

Miss Hochwalt—Desk 45.

Too much stationery.

*General.*

A. M. Simonsen—Desk 45.

H. E. Claus—Desk 45.

Miss Rothermel—Desk 45.

Can improve a little.

H. Albers—Desk 40.

Charge slips to be filed; order chair repaired. (Refer to Mr.  
Baeder.)

F. Nicholson—Desk 45.

Can improve a little.

In connection with the foregoing I will ask that each department keep their supply of general stationery down to the lowest convenient working basis, and, if possible, have it held all in one drawer or at least in one desk. When ordering scratch pads, for instance, order only one-half dozen at a time, and 100 envelopes instead of 500 or 1,000.

I will draw attention also to the holding of charge slips. There appears to be entirely too many slips in the desks throughout the department; if there are reasons for holding them any length of time I would like to be informed of them, otherwise they should be passed more promptly to the files.

Yours very truly,

Auditor.

#### REPORT OF FIFTH INSPECTION.

General Accounting Dept.

August 29.

*General Bookkeeping*—Dept. rating 45.1.

General Appearance 45. Desks not in good order.

W. A. Gorrell.....	45
M. A. Langaa.....	44
Miss Paskert .....	44
H. E. Isham.....	46
L. F. Goldenbogen.....	46
A. G. Strobel.....	46

*Factory Bookkeeping*—Dept. rating 45.4.

General Appearance 46.

J. O. Kaser.....	44
J. I. Watkins.....	46
W. L. Johnson.....	45
H. E. Claus.....	45
A. E. Perkes.....	44

*Sales Cost*—Dept. rating 46.4

General Appearance 46.

F. E. Gallup.....	46
B. N. Buem.....	47
E. Rosfelder .....	47
Miss Schmits.....	47
C. C. Bellet.....	47

*Linseed Oil*—Dept. rating 45.8.

General Appearance 46.

W. Komanec .....	46
D. R. Slocum .....	45
Miss Hyland .....	46

*P. & S' Cost*—Dept. rating 46.4.

## General Appearance 46.

W. R. Hartman.....	46
H. R. Horsburgh.....	46
H. Albert .....	47
H. B. Gehrke.....	47
Frank Nicholson .....	48

*Voucher.*

## General Appearance 46.

W. M. Morfoot .....	46
C. F. Brinker .....	46
F. Hudec .....	47
A. Dittebrand .....	46
L. R. Lindeman .....	46
Miss Hochwalt .....	45

*General.*

A. M. Simonsen .....	45
H. Whittle .....	46
Miss Rothermel .....	46
F. Bundy .....	46
S. Schilly .....	No desk
E. C. Wilson .....	44

Inasmuch as final figures in the Top Notcher Competition cannot be compiled until the completion of all August work, the September inspection will count on this year's record.

Very truly Yours,

AUDITOR.

Stenographers' and typists' desks should also be standardized in a similar manner. The material used most frequently, such as letter heads, carbon paper, second sheets, envelopes, pins, clips, and so on, should be within easy reach. In some cases this is done by having the top right hand drawer filled with convenient sized receptacles for pins, clips and so on, and the lower right hand drawer so arranged so that the stationery needed is separated and up-ended. In other cases small desk cabinets with slightly slanted downward toward the rear are used. This slant arrangement pushes the top sheet out slightly beyond the lower sheets, thus making it easy to pick off as many sheets as are wanted. This same principle is now being applied to the drawers in typists' desks.

### Standardized Desk Equipment.

The tops of desks should be standardized as well. In the concern mentioned above racks consisting of six upright pieces of wood 10 inches long by 8 inches wide by 3-8 of an inch thick are set on a 10-inch wide board; the compartments are 2 1-2 inches wide. The space between each one is clearly marked by a label indicating the nature of the papers that may be placed in it. Instead of throwing messages to the various people in the office in one letter basket they are immediately placed in the proper position in the desk rack. This facilitates speed in delivery of messages between persons in the office, and also systematizes the work on each clerk's desk, thus avoiding considerable confusion.

It would be impossible to describe here the many different kinds of devices that have been introduced in desks to save time and motions. It is intended merely to indicate the importance of studying the conditions in each office and of arranging desks uniformly to meet those conditions. For example, desks specially made to hold card trays so that a person using the cards need not carry them back and forth between desk and cabinet may be used. The illustration on page 65 shows high desks equipped in this manner. The high desk is not, however, to be recommended. It serves no good purpose; instead it is inconvenient and awkward. Low flat top desks equipped with card trays may be obtained from office equipment companies.

The desk, as has been said, is the most used piece of furniture in the office, and when it is left to employees' own devices a tremendous loss of efficiency results. It was determined through time studies, for example, that the stenographer's desk cabinet above described saved thirty minutes a day, in the aggregate, on the part of each typist in the office. There were some 42 typists and stenographers. The saving amounted to 21 hours, almost three days' time of one operator.

Standardized desks of the same general style and as nearly uniform in size as possible, together with standardized desk

equipment, aside from the individual efficiency induced, have a good general psychological effect. The appearance presented by a uniform desk equipment throughout the office suggests the existence of well ordered methods. It is notice to the employee that the same care and regard for order will be required of him. Various kinds and shapes and an irregular arrangement of desks, suggest, on the other hand, that there is no general scheme of supervision that is in harmony with a well founded principle. There are so many different ways of doing the same thing that each employee feels he is more or less called upon to "improve" upon the methods used by every one else. Whenever a real improvement does suggest itself to an employee it should be brought to the attention of a designated official so that the improvement can be applied throughout the entire office. (See "Suggestion Systems" in Chapter IX.)

### Chairs

The same principles of selection and standardization should be applied to office chairs. An employee does his best work when he is submitted to the least discomfort. Upholstered chairs are not comfortable for any length of time, nor are straight wooden seats. For ordinary use the wooden saddle seat has been pronounced by office furniture men to be considerably more restful than any other kind of seat, with the exception of the more expensive cane seats. Cane seats are still less fatiguing, but are objectionable for general use because of their poor wearing qualities. For executives the cane seat covered with perforated leather is suggested. They allow plenty of ventilation, are attractive in appearance and do not shine the clothes. The backs of chairs should be formed of spindles rather than of solid wood or upholstery, to allow ample ventilation.

For stenographers and typists special chairs have been designed composed of wooden saddle seats with adjustable spring backs. They can be adjusted to fit the height and convenience of the persons using them.

All office chairs should be of the revolving kind to avoid

the waste effort incurred in moving chairs back and forth when it is necessary to rise or change the position.

### Filing Cabinets

The old pasteboard letter files, in which letters, invoices and all sorts of records were filed flat whenever they were not too large, are now rarely used in up to date concerns, except for transfer purposes, or in cases where the records are kept for a short time only and then destroyed.

For general office use, however, the wooden or metal filing equipment provided by the various furniture houses now in existence is decidedly preferable, in that it is much more durable and can be used over and over again.

### Principles to Keep in Mind

It is not necessary to devote space to descriptions of all the various kinds of filing cabinets in use. This information can be obtained by referring to the catalogs issued by the furniture houses referred to. In the selection of filing cabinets, individual requirements should be carefully studied and cabinets adaptable to these requirements installed. There are, however, some definite principles that may be borne in mind in the selection of filing equipment.

The first is that a well constructed filing cabinet should last a life time. It is unwise to purchase cheaply constructed cabinets, which will with ordinary usage deteriorate within two or three years. For a slightly additional cost, cabinets made of the best quality of material and with the best kind of workmanship can be procured. It is not, of course, within the province of the ordinary office manager to understand cabinet making. Where a carpenter is employed by a concern his judgment may be called upon. It is usually safe, however, to rely upon the integrity of the better grade of office furniture concerns.

Care should be given, nevertheless, to such features as roller bearings, extension slides, flanged fronts, and the facility for interchanging drawers. Roller bearings avoid the friction

caused by the drawer and relieve clerks of a surprising amount of fatigue. By actual tests it has been proved that ten times the amount of strength required to pull out a roller bearing drawer is necessary in the case of the drawer hung in the old way. The extension slide relieves the strain usually present in the case of an ordinary drawer when it is partly pulled out. In the latter, the weight in front acts as a lever bearing directly upon the point where the balance of the drawer hangs in the cabinet. Flanged fronts prevent the seeping in of dust through crevices.

The next principle to bear in mind is that of expansion. In purchasing filing equipment it is wise to guard against the purchase of cabinets which will shortly become useless. For this reason, combinations of letter, invoice and card files are not always to be recommended. Where there is any likelihood that much more filing space will be required later, it is best to begin with separate units for correspondence, invoices, cards and the like, which may be added to from time to time.

The third principle is standardization. The remarks as to standardization made with reference to desks apply to filing cabinets as well.

#### Wood versus Metal

The fourth factor is that of material, and we may include here that of fire resistance. For some time there was considerable doubt as to whether metal filing cabinets were superior to wooden cabinets, so far as the durability and fire resistance is concerned.

In actual tests it has been proved that the metal cabinet is inferior. Under conditions exactly the same in every respect a metal cabinet containing cards and envelopes did not protect the contents after having been subjected to a twelve-minute fire; whereas a wooden card cabinet in the same fire did actually prevent any harm to the contents. The metal cabinet had buckled. The cards were charred around the edges from one-fourth to one-half inch, and one of the loose envelopes powdered. The exterior of the wooden cabinet was partly charred but the contents were intact.

Metal absorbs heat quickly and retains it. It also conducts heat, with the result that the contents become charred and powdered, and finally burn. Wood, on the other hand, is a non-conductor. If it is thick enough so that it will char thickly on the exterior it will afford increasing protection to the interior. Water swells wood, closing up grooves, whereas water poured on hot metal expands and cracks it sometimes, springing it wide open.

The ordinary steel cabinets are enameled. When subjected to strenuous office usage the enamel becomes chipped in spots, exposing the metal, which in time rusts. The better kind of wooden cabinets are highly varnished and can only be scratched or scraped. These scratches and scrapes can be repaired without refinishing the entire case.

Finally, steel cabinets are made of material about one-sixteenth of an inch thick. They easily become dented, thus presenting a dilapidated appearance.

### Book Cases

The same remarks that have already been made as to workmanship and material also apply to bookcases. Naturally, for the sake of good taste, all office furniture should harmonize in the color of the finish. Very little if anything can be said as to the advantage one over the other of sectional and non-sectional bookcases. By non-sectional cases, however, the type that is capable of having additions attached at each end is meant—not the kind that is strictly a complete unit within itself. The latter are not economical for office uses in any case. The units that are laid one on top of the other are frequently a source of annoyance because the slide doors get out of order. For that reason the doors that swing on hinges are often preferred, although little, if any, difficulty is experienced with slide doors in the better grade of bookcases.

### Partitions

There is much difference of opinion as to whether an office should contain private offices. They are found in the majority



of cases, but the tendency seems to be toward eliminating as many partitions as possible. Some concerns have thrown out all office partitions.

There are two very good reasons advanced in favor of the private office—its advantage when privacy is desired and its freedom from the noise of typewriter and other office machinery. A third reason, not usually admitted, also plays an important part—that is, the vanity of many officials who believe the importance of their positions entitles them to some such distinction. This element is, however, unworthy of serious thought.

There are frequent occasions in the course of business when interviews and conferences should be held in strict privacy. The concerns that do not have partitions claim they can hold private conversation by lowering the voice. This, of course, is an unsatisfactory method at the best.

It is important in many cases that certain officials and employees be able to work without interruption from the many and various noises common to most offices. The no-partition men have overcome this difficulty by placing a special kind of covering—a combination of rubber, cork and cement—on the floors and by installing noiseless typewriters. The other office machinery has been set apart in a room by itself.

The objections to partitions are also important. In the first place private offices must necessarily be built at the sides of the room, where there are windows. The result is that the balance of the room is poorly ventilated in proportion to the number of private offices there are. Unless the partitions are of plain glass the amount of light available for the general employees is also reduced. In one large office it was found that prior to the removal of partitions the employees became drowsy and listless about 3 o'clock in the afternoon. After the partitions were taken out this condition absolutely disappeared.

In the second place, partitions require more space than would otherwise be necessary. The ordinary door needs six feet of space in which to swing. Usually private offices are made

large enough to provide ample space for visitors and for possible additional requirements in the future.

It is also claimed that movement about the office is considerably hampered. But this is, in the long run, an advantage. There should be as little movement as possible any way.

The most important objection to the private office—its obstruction of light and air—has been overcome by the Ford Motor Car Company and others by erecting narrow buildings and running long corridors down the center. All the offices—private and general—are open between the windows and the corridor. Glass partitions are used throughout so that executives can see from one end of the office to the other. The photograph on page 84 illustrates such an arrangement in one of the large offices in the west.

The waste of space is not a very important factor except in large cities, where office rent is paid for on the basis of square feet occupied. In such cases the problem becomes one of expense versus convenience and privacy and must be solved by the individuals concerned.

### Ventilation

It is impossible to secure maximum results from an office force in a poorly ventilated office. A person working in a heavy, musty atmosphere becomes listless before the day is far advanced. His movements are sluggish; he loses the crisp, wide-awake attitude toward his work that is found in a room full of lots of fresh air. Draughts are especially to be avoided. They are the causes of indispositions that so often keep employees away from the office for days and weeks at a time.

The subject of ventilation is, however, too large and too technical a subject to warrant treatment in a book of this character. Partitions which keep out good, fresh air should be taken down. Smoking should be eliminated or confined to private offices. In some of the large office buildings it would even be advisable to put in a ventilating system which automatically refines the air every ten or fifteen minutes. It is eco-

nomical to employ a ventilating engineer to recommend a proper ventilation system. The original cost of his services would be more than offset by the consequent increase in office production.

### Office Illumination

There are three systems of illumination regarded as efficient by modern experts—direct, indirect and semi-indirect Tungsten illumination.

There are many practical reasons why each of the three last named systems should be selected, and each will be treated individually in as comprehensive a manner as possible, so that the practical business man can decide for himself the "right light" for the right place.

A serious error is too frequently committed by over-lighting an office, especially when consulting individual clerks, who imagine they must have from 10 to 50 candle power on their work at the desk. This is a very grave mistake, and, besides being expensive, will result in many cases of chronic headaches.

### Direct Illumination

Where, by necessity, office furnishings and equipment, such as desks and filing systems, are of a dark wood, ceilings and side walls are all of a dark color, floors of a dark linoleum or other covering, ceilings higher than 15 feet, and the conditions are not propitious for efficient and modernized illumination, direct illumination is a necessity. Avoid large and intense units. Only on very rare occasions will it be found advantageous to use over 100-watt Tungsten lamps (80 candle power). These lamps should have the lower portion of the bowl frosted, and the lamp itself covered by a reflector of a soft tone white glass, preferably etched or roughed inside, and suspended from the ceiling high enough so that the workers at their desks when in a natural position for work are out of the direct line of vision of surrounding pendants. Also make a test of each extreme end of the

\*The remaining pages in this chapter, dealing with the subject of "Office Illumination," have been contributed by Mr. A. Edgar Goetz, lighting specialist.

room with a clerk sitting in a natural position before he applies himself to his task at the desk looking on a plane straight in front of him. Avoid the necessity of his eyes coming on the direct line of light. It is utterly impossible to obtain an exact ideal position with this system of lighting, unless the room is small; of necessity, one can only attain a mean average for suspending the lighting units.

However, it is worth while striking this average by making a number of tests; otherwise intense eye strain, and in consequence, severe headaches, and loss of efficiency or possible stigmatism of the eyes for some clerk with a natural weakness of the optic nerves will surely result.

Right here it is well to mention that clerks already wearing glasses, and those suffering with eye strain should be given the preference as to location in the room. This can be determined by the test previously mentioned. The refraction and reflection set up from the back of any eye glass lense is very annoying as well as injurious.

With direct illumination, in which the light is thrown down through the globe direct into the room, it is necessary to have from six to eight-foot candle power on the working plane. This, of course, cannot be predetermined without a photometric test. However, the manufacturers of Tungsten lamps and efficient glass reflectors are now equipping their salesmen with instruments of this kind, so that information of this nature can be obtained, in most instances gratis, after having determined what system of lighting is practical for your purpose.

#### Indirect Illumination

Under the indirect system of illumination no light shines through the opaque globes; it is thrown against the ceiling and sidewalls which diffuse it over the room. The lamp itself is out of the line of vision. This system is, without a doubt, the most practical where it is necessary to work at night or in rooms totally obscure from daylight. Illumination is almost shadowless. It is most practical in light colored rooms, with ceilings

not higher than fifteen feet. A preference should be given to flat white, which is the best reflector. Avoid using mirror reflectors for your fixtures, and give preference to washable white enamel, or, far better, glazed enamel such as is used for pots and pans. The lamps should be from 250 watt (200 candle power) to 500 watt (500 candle power). The fixtures should be dull brass or white, hanging high enough so that it is impossible to see the source of light from any position of the room. The reflectors should be washed periodically, and should it be desirable to install a system of this kind where there is partial daylight the windows should have white shades drawn down. It would be better, however, to have the window sashes equipped with prismatic or Florentine glass. In instances where it is necessary to have a few individual desk lamps, the shades for these lamps should be made of a plate glass, which has an outside layer of green and an inside layer of pure white. This will avoid conflicting light rays.

Absolute indirect illumination of an ideal nature will not require more than 4 1-2-foot candle power on the working plane for clerical work. However, on account of the loss of light by reflection, this system requires from 40 to 50 per cent more electrical energy than the direct lighting system.

It is advisable to have the side walls below the chair rails of a light rose or manila tint. Also avoid all hardware and stationery of a highly polished or glazed nature.

### Semi-Indirect Illumination

Probably in time to come the most popular and practical system of illuminating offices for clerical work will be the semi-indirect lighting system. The glassware is of a translucent nature so that part of the light is thrown down through the "hemisphere" or globe. The remainder is thrown to the ceiling and sidewalls and diffused as in the case of indirect lighting.

Avoid, as before mentioned in direct illumination, large lamps, and for most work it will be found practical to adopt the 100 watt (80 candle power) or 150 watt (146 candle power)

or 250 watt (200 candle power) lamps. Use soft tones of white glass etched or roughed inside, or where very thin glass is selected have it treated both inside and outside. Use fixtures made convenient to allow the glass to be readily removed, as it is necessary in this system to have the glass cleaned frequently. In fact, it is a noteworthy point to include in the office sanitary system the cleaning of these globes at certain specified periods. Clean glassware will make a difference of 20 to 40 per cent. in your light efficiency.

Have all the ceilings and side walls, as low down as the chair rail covered with white kalsomine, or cold water paint, or, if you prefer, flat white oil paint. Below the chair rail, the color change should not be too extreme. A coat of flat paint in a medium green or old rose, or manilla, would be practical.

The electric fixtures from which the lamps and glassware are suspended should either be flat or brushed brass finish. Avoid high polishes. Highly burnished surfaces will result in glare and uneven diffusion and reflection. Select light wood furniture and floor coverings. Do not use indelible lead pencils, and avoid highly glazed paper for books or stationery. Shadows are greatly reduced by the use of semi-indirect lighting, and the working candle power, in consequence, can be reduced in most instances to an average of 4 1-2 to 5 feet candle power on the working plane.

#### General Illumination Pointers for All Lighting Systems

Use Florentine or prismatic glass in preference to clear glass wherever possible, and avoid the use of indelible lead pencils.

Avoid highly varnished wood for desks and cabinet work, and specify egg shell finish.

Have reflectors and glassware periodically cleaned.

In making out specifications for painting give preference to kalsomine or cold water paint for ceilings and side walls above the chair rails, as this material will stay absolutely white. Below chair rail, paint is preferable, as it can be washed. This is important because this is the part of the wall most likely to be

smudged. Oil paints have a tendency to turn yellow, in fact deterioration takes place from the moment the paint is dry and is exposed to the oxidizing gases which are bound to settle in the upper part of a room which is occupied most of the time.

Insist on having Tungsten lamps of exact voltage placed in your fixtures, so that you will get the benefit of the highest efficiency and whitest light. Under voltage lamps will give a cherry red light and greatly reduce the efficiency of your installation.

A practical cleansing fluid for illuminating glassware can be prepared from ammonium carbonate in granulated form, which can be purchased at any chemical supply house. Dissolve a pound of it in a pail of luke warm water and dip the globes in this solution. After taking them out scrub them with a small hand brush in luke warm water, and allow to drain off and dry.

Avoid where possible using desk or individual lamps, and where they are absolutely necessary have the light shaded with an emerald green glass with a white inside lining.

Avoid using highly polished plate glass for desk tops. While there is no doubt they are the most sanitary they are ruinous to an otherwise good lighting layout.

It is important to observe every detail; each is a factor in the development of a complete and efficient system of illumination.







Photograph Showing Center Corridor with Offices on Either Side. (See page 77.)

## **CHAPTER V**

### **HOW TO LAY OUT FLOOR SPACE**

#### **Assignment of Space An Important Problem**

Thus far we have discussed two elements of an office organization, namely, men and equipment. It remains for the office manager in each case to select such of these elements as are necessary to produce the results required of him with the least expense, in the quickest possible time and with as much accuracy as the human brain is capable of achieving. This selection and the arrangement of the men and equipment in the space available is itself not an unimportant problem. It is second to no other in the office, except that of management.

In laying out an office, two points often forgotten, but which in fact are of no small importance, are the effect on the customer and the effect on the employees. The latter point will be discussed later in greater detail. Of the effect on the customer perhaps it will be sufficient to say that an effort should be made to impress him with the activity, the openness of the business methods used and the promptness and sureness with which the work is done.

In addition to these two points those of practicability and efficiency should be kept in mind.

#### **A Typical Case**

Before selecting and arranging the physical features in an office organization in advance, the needs of the business should be kept definitely in mind. In other words, the office manager, or the official acting in that capacity, must determine the func-

tions which will exist in his office. To do that it will be necessary to study the nature of the business, the amount of business done and the general policy of the enterprise. With this information clearly in mind one can intelligently lay out the groups of employees needed and the mechanical appliances that will be required, and can arrange them so that the office details of the particular business will be best handled.

Let us assume that we have been appointed office manager for a typical manufacturing business which has been in existence for some time. All the departments are fully developed, and all the business is done at the home office. The salesmen report to the sales manager at the home office, money is collected, shipments are handled and all the administrative work is performed in one building.

The business has been in existence for some time, but a new building has been constructed and the factory and offices are to be transferred. All the old office equipment is to be sold and an entirely new equipment installed. This, of course, is an almost impossible situation, but it enables us to cope with the problems of a going office without being hampered with existing office methods.

One entire floor consisting of 20,000 square feet of floor space is being used. This is more than enough and will provide for future additions. We have light on three sides; the fourth is a fire wall along which the corridor, elevators and stairs are built. The office is equipped with overhead lights as explained in the previous chapter. The ventilating system is of the most improved kind.

Our business is that of manufacturing a special kind of machine. We have salesmen scattered about the country, but as yet they all report to the sales manager direct. Considerable advertising is done. Many thousands of selling letters, folders and the like are distributed. The machines are sold on the installment plan, so that the collection of accounts becomes an important problem.

In order that we may have in concrete form the organization of the business let us construct a chart indicating all the branches of the company's activities. The president is general manager and supervises the entire business. The first vice-president is production manager. He has direct charge of the factory, the stock room, and the purchasing department. The second vice-president is head of the sales and advertising departments. The secretary has charge of the accounting department, and his department is divided into three main divisions, auditing, accounting and cost accounting. The treasurer, in addition to his general official duties in handling the concern's banking and credit relations also has charge of the credit and collection department.

Although these departments are still further subdivided it is not necessary now to go into further details in order to establish the general office layout.

The office manager is a member of the executive committee (the Committee System is discussed in a later chapter) and consequently is in close touch with the activities of the concern. He has full authority to arrange the office as he thinks it should be arranged, subject to the criticisms of the executive committee.

### Positioning Important Departments

Our first step is to position the departments. In doing so we must bear in mind three principles.

First—Each department and each sub-department should be placed so that it will be close to any other department with which it may have frequent communication. Such an arrangement avoids considerable confusion and facilitates the rapid transaction of office business. It should not be necessary for office employees to do much walking around. Leg work can be reduced to some extent through the positioning of office departments. Other means for its reduction will be discussed under the subject of management.

Second—There should be no doubling back in the progress of work through the office. Every order should begin at one point and go steadily forward until the office work on it is completed. One of the most frequent causes of waste is the constant shunting backward and forward of work which should go smoothly ahead in one direction.

Third—The growth of the business should be estimated and space allowed for expansion.

### The Rough Lay-Out

Our first step is to roughly lay out the office, dividing it into broad general divisions. To do that, adhering to the three principles just laid down, we must know in a general way how orders are to be handled when they come in. Let us assume that in a session of the executive committee it has been determined that orders are to be handled in the following manner: first, they are to be examined and approved by the Sales Manager or his appointee; second, they are then to be examined by the credit and collection department to ascertain that the purchaser has not previously bought a machine and failed to pay his account; third, the necessary instructions to the factory, stock room and shipping department and the card records are to be made immediately thereafter.

Thus, we may safely determine the route of an order through the office as follows: In-mail department to sales department to credit and collection department to order clerk.

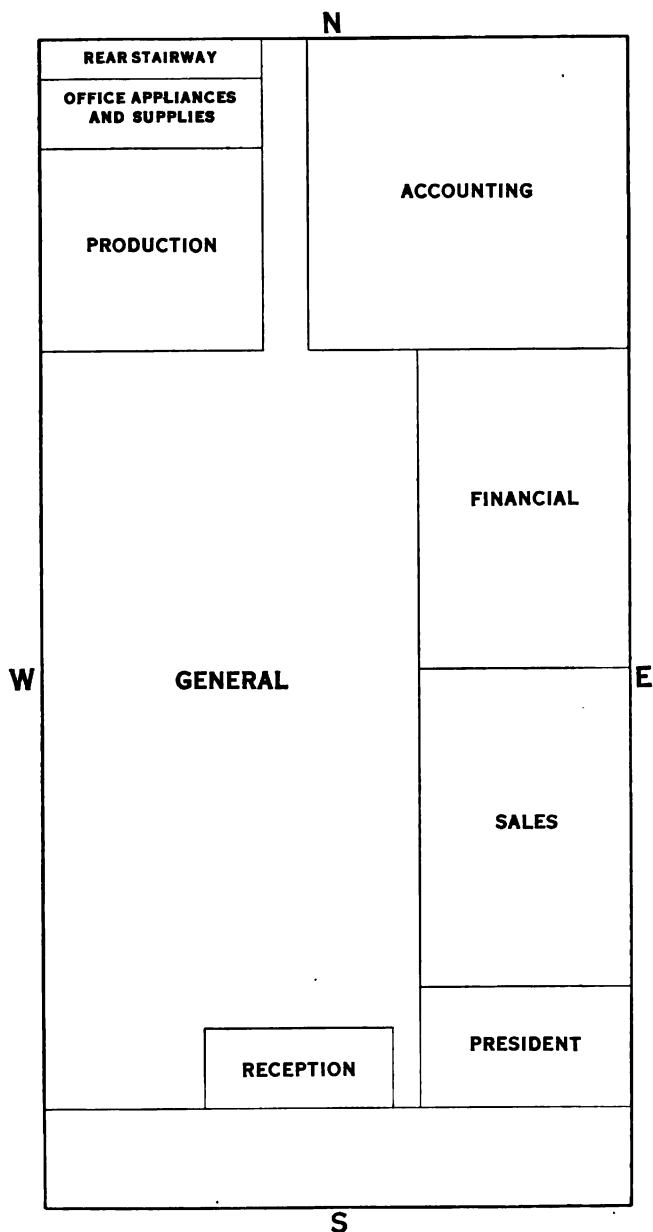
The sales department accordingly should be near the mail-in department; the financial department, containing the credit and collection departments, should be near the sales department; and the order clerk should be in as nearly a central location as possible. The order clerk issues several copies of all orders that come in—one to the finished stock room, one to the shipping room, one to the production department and one to the accounting department. The production department's copy in this case

has nothing to do directly with the filling of the order. It acts as a check for the production superintendent upon those under his control and is one of his guides in directing the operation of the factory, a large stock of standard machines being always kept in the stock room.

Putting the order through the stock room is the next step, and one that should be covered as quickly as possible. The stock room is on the ground floor. A simple chute conveys the copy from the order clerk to the stock room downstairs. The shipping room is also on the ground floor. The same chute or another chute will carry the copies down to the shipping floor. So then, by placing the mail, sales and financial departments and the order clerk in a direct line in the order named we would have theoretically a perfect arrangement were there no other factors to be considered.

But for each order that is filled the accounting department must see that the machine is correctly charged to the proper person. Bills must be made out and mailed. Moreover, due regard must be given to the activities of departments not directly concerned with the routing of an order. The production department must be as near to the entrance of the factory and to the cost department as convenient. The financial and accounting departments must be close to each other. The cost accounting department and the production department also work in unison, and the general manager should be as close to his executive officers as possible. In addition, the importance of prompt attention to visitors must not be overlooked. In this particular business the sales department, more than any other, is concerned with this factor, although the president, too, receives many callers during the course of the day.

With these factors in mind let us roughly lay out the office as in Figure 5. By placing the president's office to the right of the reception room and the sales department just north of the president's office we have solved the problem of handling visitors promptly. In our business this is an important factor



**FIG. 5—Rough Layout.**

because the open door policy is maintained. Persons with real messages have easy access.

The forward process of handling orders is also maintained by this arrangement. The sales department is not far distant from the general office in which the mail department is located. The financial department lies between the sales and accounting departments, thus being efficiently located so far as the routing of orders is concerned, and at the same time close to the accounting department, in which it is vitally interested. The order clerk in the general office is near the chutes, near the production department and near the accounting department. The production department in the upper left hand corner of the chart is located near the back entrance, and also close to the accounting department, in which the cost accounting department is located.

In a general way we have, therefore, distributed the activities of the office so as to put in practice two of the fundamental principles of office arrangement.

1. Constant forward movement.

2. Quick and easy communication between departments.

The latter principle cannot wholly be achieved through the arrangement of the office; mechanical appliances and office routine must also be relied upon. But the office arrangement should be such as to aid in this respect as much as possible.

### Allotting Space to Each Unit

Having roughly laid out the office we are now confronted with the task of placing each unit in its proper position (Fig. 6). It now becomes necessary to know just what work and how much each department will be called upon to handle.

Our office is 100 feet by 200 feet. In order to properly allot this space experience in determining the number of people and the amount of equipment required to carry on a given amount of work is essential. Let us assume that the following number of people will be required to handle the work:



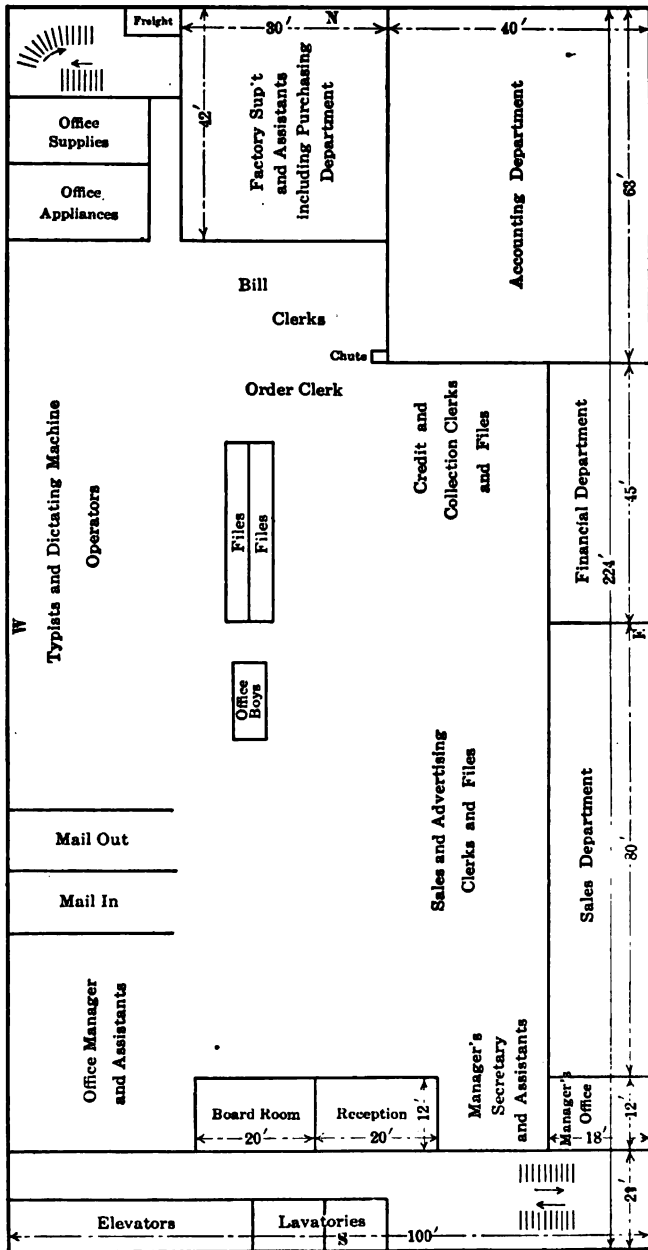


FIG. 6—Completed Layout.

<i>Sales</i> (Vice-President).....	1
Sales Manager and Assistant..	2
Mail Order .....	8
Advertising .....	4
<i>Production</i> (Vice-President)....	1
Purchasing .....	2
Superintendent .....	8
<i>Comptroller</i> .....	1
Auditors .....	2
Accounting .....	8
Cost Accounting .....	4
<i>Treasurer</i> .....	1
Assistants .....	3
Credit and Collection.....	6
<i>Office Manager</i> .....	1
Assistant .....	2
Sales and Adv. Clerks.....	10
Bill Clerks .....	6
Production Clerks .....	4
Collection and Credit Clerks..	14
Phonograph Operators and	
Typists .....	49
File Clerks .....	4
Addressing, Duplicating and	
other office machines.....	5
Mail Dept. ....	6
Errand Boys .....	8
Office Stock Room.....	1
Telephone Operator .....	1

We have, together with the executive officers, 164 people to provide for. The ordinary desk space required for an employee is five feet. Forty-two inches should be allowed for the space between desks, and all aisles should be three feet wide. Mr. Fisher, vice-president of the Metropolitan Insurance Company, and other authorities estimate an average floor space per office employee at from 100 to 115 square feet, providing for desk, chair, aisle, files and other equipment. This will give us a basis upon which to proceed in allotting the space to each department.

Allowing for a reception room, say 20 feet by 12 feet, which is ample for ordinary purposes, we may start with the president's office to the right. Usually a space of about 18x12 feet

is sufficient, although the circumstances will guide in each case.

There are sixteen people in the sales division proper. Inasmuch as files and almost all the equipment, besides desks and dictating machines, are, under our system of organization, centralized under the office manager, we need not allow as much space per person in the sales department as would otherwise be the case. About 1,280 square feet should be allowed to the sales department. By continuing the front line of the president's office, which is 18 feet from the eastern wall, and extending it 80 feet we will give the sales department 1,440 square feet, which will probably allow for additional space when needed.

The financial department will not require much more than 800 square feet; the space allotted in the diagram on page — will undoubtedly be sufficient.

The accounting department requires much more space, since there are 24 employees. Allowing 90 square feet for each, floor space of 2,500 square feet will be ample. The production department will be satisfied with about 1,200 square feet.

We now have left about 13,000 square feet available for the force directly under the office manager. The problem is to apportion this space to the various groups of employees so as to adhere closely to the principles of office lay-out already explained.

The sales clerks, which we shall later find, are assigned to specific duties pertaining to the work of the sales department, should naturally be as close to the sales department as possible. There are ten of these clerks, who may be placed in a space of about 1,000 square feet in the position noted in our diagram.

The credit and collection clerks should be close to the financial department and may be located in about the position they are given.

The order clerk, if given a central location as shown, will be able to perform his duties more efficiently than if he were located in some further removed part of the office.

The bill clerks should, of course, be near the accounting de-

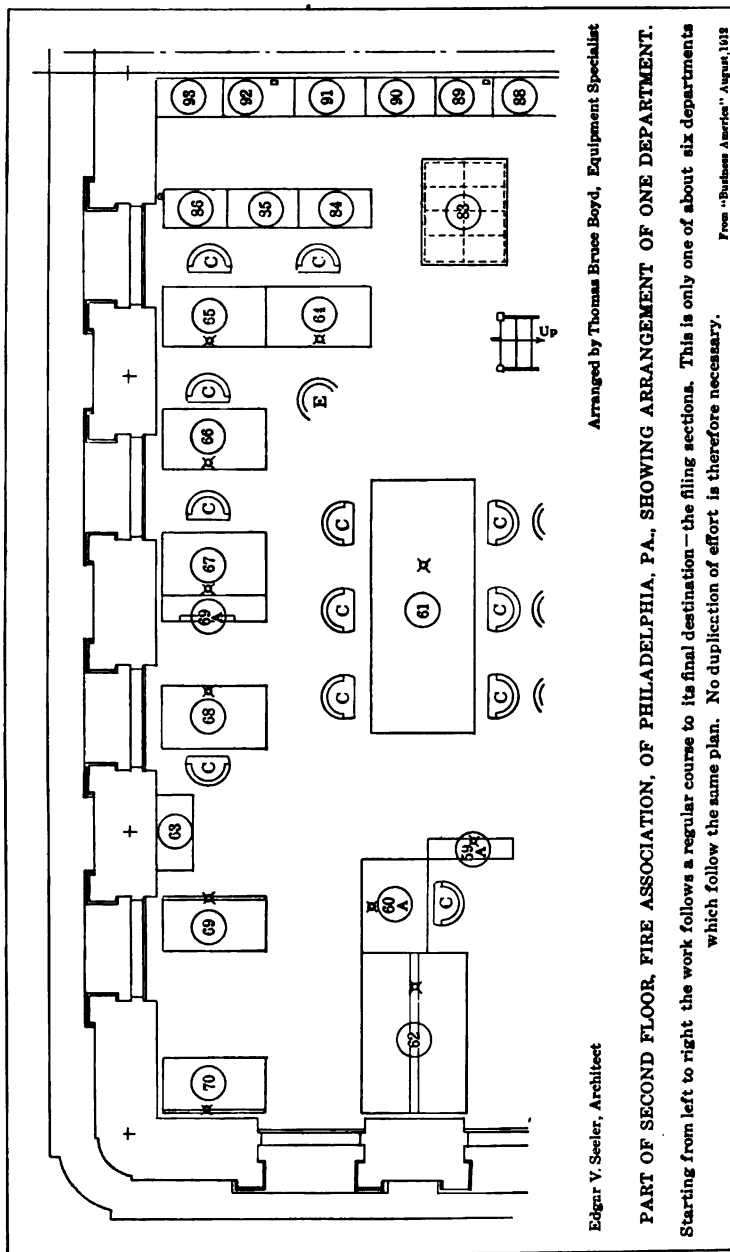


FIG. 7.

partment, and the production clerks should be near the department to which they are assigned.

The stock room is located near the rear entrance, because packages are brought up on the freight lift in the rear of the building. The duplicating, addressing and other appliances for circularizing are located in one part of the office as far removed as possible from the employees who would be disturbed by noises. The same is true of the typists, stenographers and dictating machine operators. The files are located in a convenient position, as is also the mail department. The tables for the office boys are, it will be noticed, in the central part of the office. Frequently they are given positions in one corner, thus making it necessary to traverse much more ground than should be necessary.

The office manager and his assistants are assigned to a position which gives them a view of the entire office. This, of course, is only possible where there are no partitions or where the partitions are of glass.

It is probably not necessary to go into detail as to how each desk and each cabinet should be placed within the space allotted; there is no general rule that will be applicable in all cases. The circumstances must always be taken into consideration. If the general principle of eliminating useless motions by placing equipment near the persons who are to use it is borne in mind the task of arranging desks, cabinets, machines and the like will not be as difficult as it may seem.

### How to Prepare Floor Plan

It is a good plan, when laying out a new office, after allotting the spaces in the manner suggested above, to cut small squares of cardboard or paper of various colors, each color representing a department. The squares, approximately cut to scale, can be arranged on a large sheet of paper on which the floor plan is drawn, just as a general would position his troops on a map showing the field of battle. With such a "map" the physical task of placing office equipment will become much less dif-

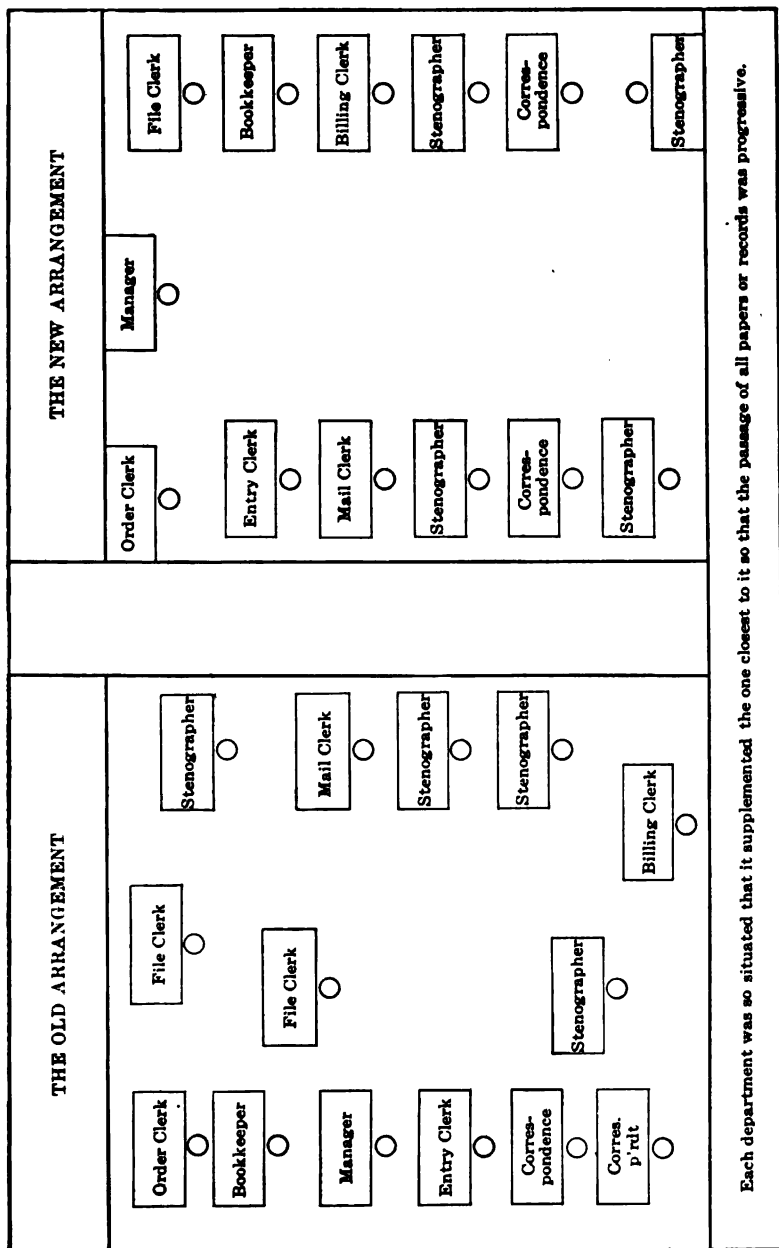


FIG. 8.

ficult. An office of about 100 people has been moved in five hours, without the slightest interruption of business. At the close of business on one day the laborers began transferring the equipment. The office manager with his map in hand directed the disposition of each piece as it was delivered in the new office. Electricians connected the various power driven machines, and the next morning business went on as usual.

This detailed description of laying out an office is given merely with the intention of suggesting methods to be employed, rather than of laying down laws that should be followed. The arrangement described, while suitable in one business, would be inadequate in another. It is hoped, however, the reader will have grasped the application of the principles of physically arranging office equipment.

One official timed three employees and found that one-half of their time was consumed in getting around. After a rearrangement of the office an order could circulate through and without an employee leaving his seat. A systematic, scientific arrangement made night work unnecessary, thereby saving light bills and supper money.

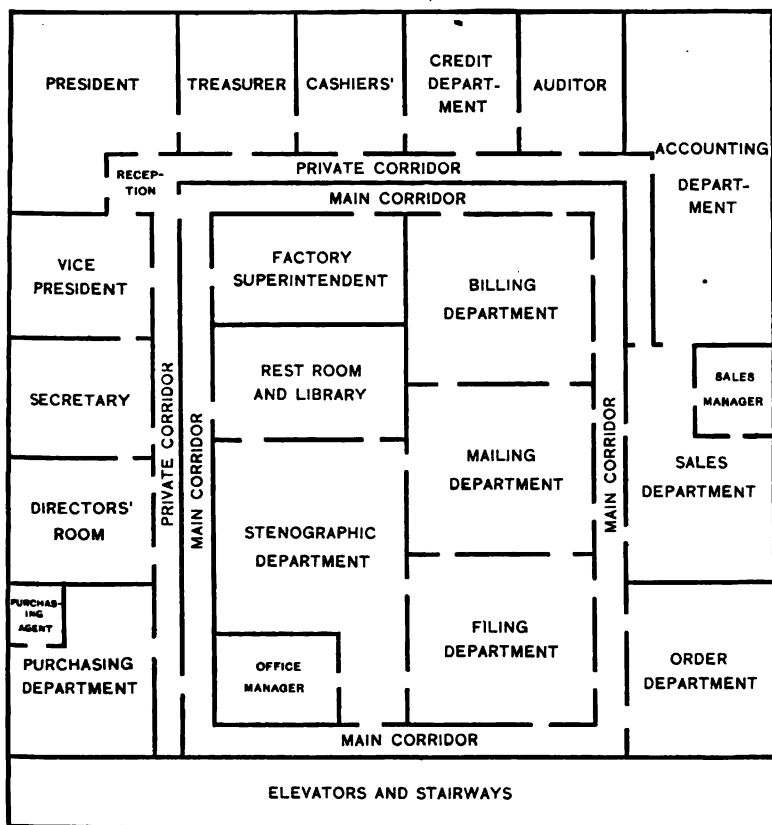


FIG. 2.—Floor Plan of Office in a New York Clothing Manufacturing Concern.



## CHAPTER VI

### CREATING THE OFFICE ORGANIZATION

#### The Primary Problem

Having laid out the office space to be occupied by the various departments and sub-departments, the next thing to do is to organize the force. It must be understood, however, that ordinarily these duties do not follow each other in just this manner. As a matter of fact, most offices grow up gradually and the various departments are built as the need for them arises. Only in the case of reorganization or readjustment does it become necessary for an office manager to plan the organization and disposition of an entire office force. At such a time the actual work of co-ordinating all the elements of an organization cannot be attended to in the routine order thus far laid down, although the plans may be made in this manner.

In order to illustrate clearly the principles upon which a large office organization is built it is necessary that we consider the creation of an entirely new force. The basic principles will apply as well to the rearrangement of duties and to the organization of small offices.

The question before us in this chapter is: Assuming that the employees and the proper equipment have been selected and are ready to be used, and given a certain amount of office work to do, how shall we proceed to apportion the work among employees, and how shall the employees be organized into an harmonious, efficient body?

## CREATING THE OFFICE ORGANIZATION 101

## Listing Duties

Obviously the first thing to do is to make a careful study of the work that is to be done. The best plan is to take up each department, one by one, and make a list of the *clerical* duties required in carrying on efficiently the work of these departments. This list should be as detailed as possible, because it will be referred to frequently. Sometimes the list is prepared in chart form, as in Chart IV on page 102.

A more condensed list may then be constructed for the purpose of assigning clerks to the various tasks to be performed. Such a condensed list, applied to a comparatively small organization, follows:

### ***Sales and Advertising***

- ✓ Correspondence—Typing Department.
- ✓ House Organ—Duplicating Dept.—Mailing Dept.  
House Organ to Customers.

Salesmen's Records .....	1 clerk
Geographical Customers' File	{ .....
Vocational Customers' File	
Prospect File, Geographical	{ .....
Prospect File, Vocational	

### Mail Order

Mail Order Follow Up File	}	.....1 clerk
Mail Order Daily Record		
Keying Record		

**Fac-Simile Letters—Duplicating Dept.—Typing Dept.—**

**Mailing Department .....1 clerk**

**Booklets—Stock Room—Mailing Department.**

**Correspondence—Typing Dept.—Filing Dept.**

**Mailing List** .....1 clerk

## Advertising

Clipping File	}	.....	1 clerk
Electrotype File			
Copy File	}	.....	1 clerk
Keying Record			
Ad. Rate File			
Copy Record		.....	1 clerk
Correspondence—Typing Dept.—Filing Dept.			

# CORRESPONDENCE AND ORDER DEPARTMENT.

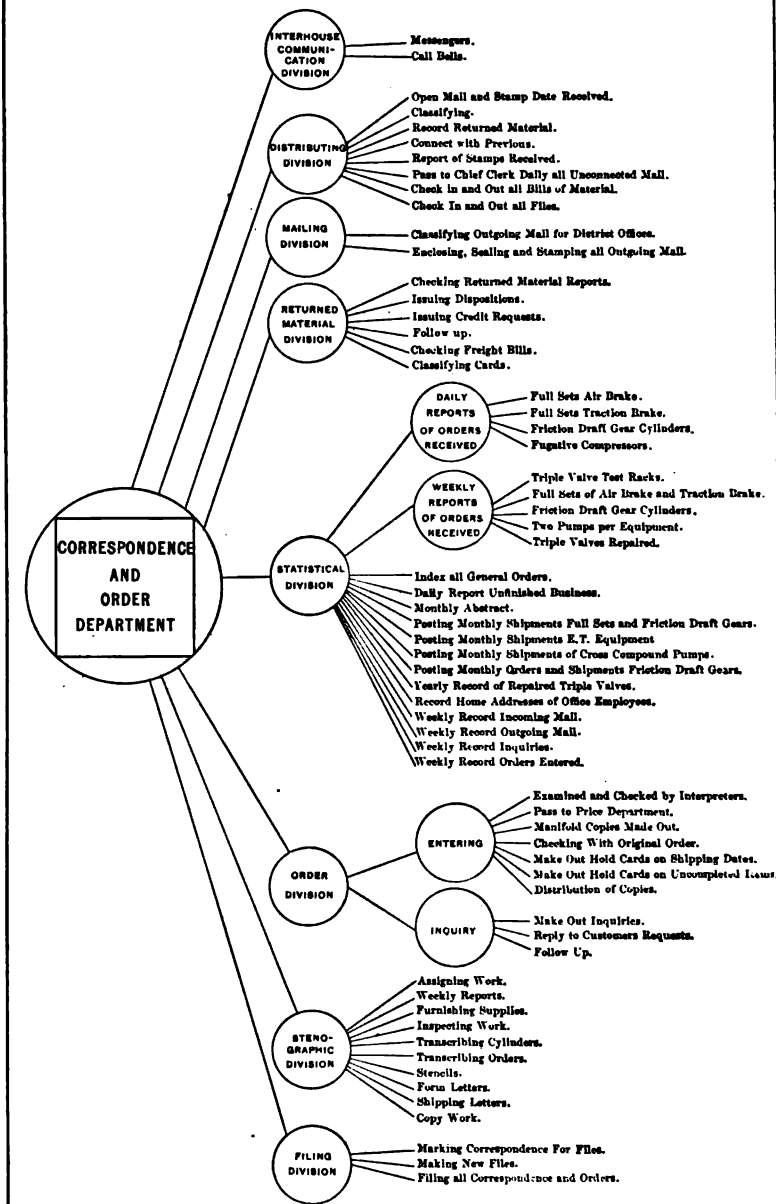


Chart IV.

## *Production*

Quotation File	{	.....1 clerk
Catalog File		
Purchase Order File.....		1 clerk
Requisition File .....		1 clerk
Follow Up File.....		1 clerk

Correspondence—Typing and Filing Depts.

## *Comptroller*

### *Billing*

A—C .....	1 clerk
D—F .....	1 clerk
F—G .....	1 clerk
H—L .....	1 clerk
M—N .....	1 clerk
O—Q .....	1 clerk
R— .....	1 clerk
S— .....	1 clerk
T—U .....	1 clerk
V—Z .....	1 clerk

Correspondence—Typing and Filing.

## *Financial*

### *Credit and Collection*

Collection Cards .....	2 clerks
Statements and Typing Follow Up Letters.....	4 clerks
Drafts .....	2 clerks
Remittances .....	8 clerks
Checking .....	2 clerks
Doubtful Follow Up File.....	1 clerk

Correspondence—Typing and Filing.

It is not necessary that the reader attempt to understand at this juncture the meaning of the various files and records mentioned in the list. The point is to know how to go about the assignment of duties. Some knowledge of the amount of work involved in each operation and the capacity of the ordinary clerk will, of course, be necessary in order to assign duties in this manner.

We find, for example, that the sales department has supervision of a certain number of salesmen and that daily letters are sent out to each salesman. These letters, while individually typed, are largely form, in so far as the sales manager dictates

each day a form paragraph to be used. Some arrangement must be made for handling these daily sales letters. The average length of each letter and the average number of letters one typist can write in an hour must be calculated.

We find also that a house organ is issued to salesmen once a week. This house organ is printed on a duplicating machine. The handling of copy for the duplicating machine and the mailing of house organs on schedule time must be made a part of the office routine. Here again the approximate time required to do this work must be determined.

A record of each salesman's calls, number of sales, monthly expenses, occasional advances, and so on, is kept. This also should be routine. Our judgment is, for example, that one clerk will be able to handle all this work. This opinion is reached after making a study of the number of salesmen who report, the number of items on each report and the amount of work of this nature an ordinary clerk can handle. The same procedure is followed in establishing the fact that one clerk should be able to take care of the geographical and vocational customers' record.

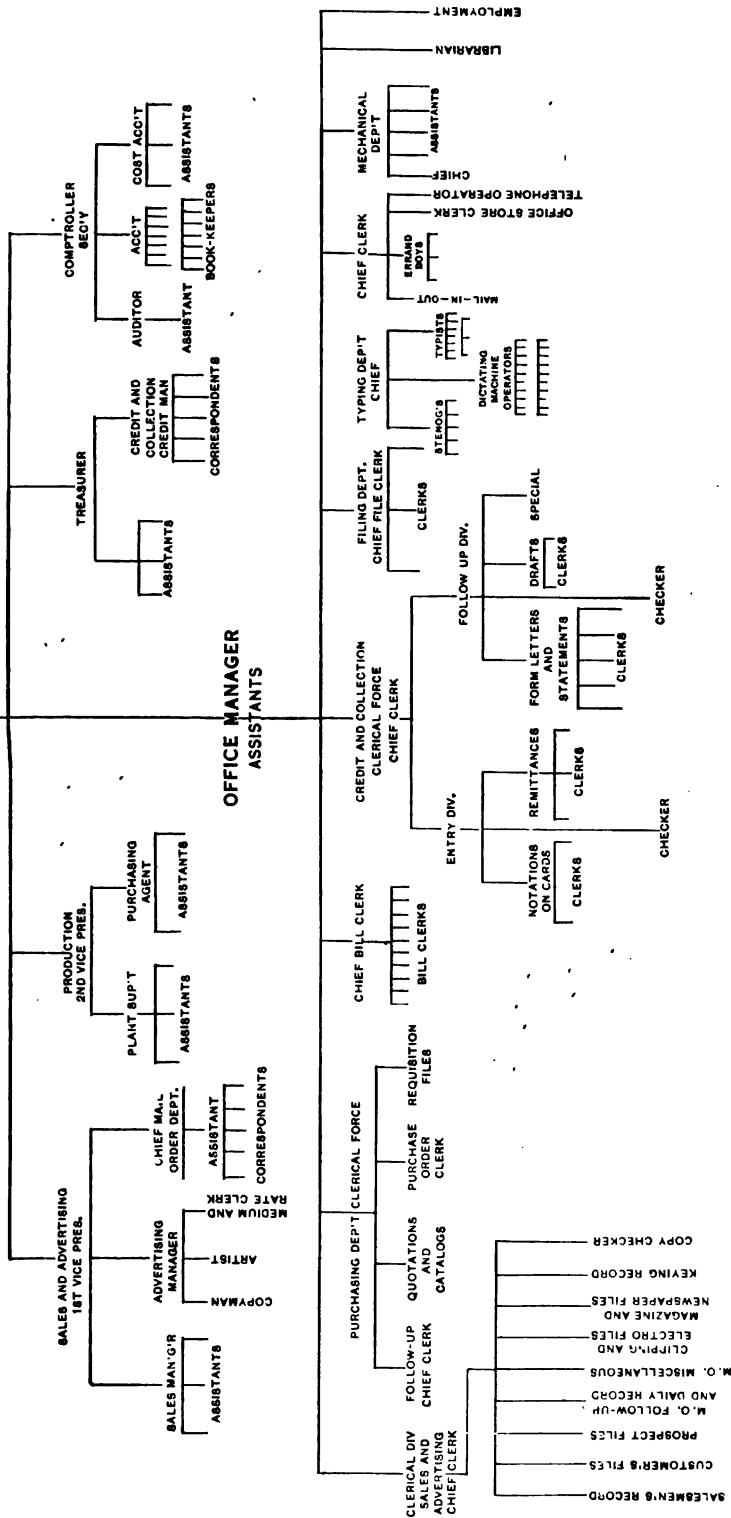
In this way the work of each department is analyzed. The results of the analyses should be listed in some such manner as is indicated above.

In establishing the general departments—such as filing, typing, mailing and the like—similar study must be made of the total amount of each kind of work that will be produced. For example, in determining the number of dictating machine operators that will be required we must first know the average number of letters written each week. Assuming that letters will average ten lines of ten words each, and knowing that a dictating machine operator can produce from 4,000 to 5,500 lines a week (41 hours) we can find, without much difficulty how many operators will be needed to handle the dictation.

The amount of correspondence will also determine the number of file clerks necessary, as well as the size of the mailing department.

**PRESIDENT (MANAGER)**  
**SECRETARY AND ASSISTANTS**

**EXECUTIVE COMMITTEE**  
(PRES., 1st VICE PRES., 2nd VICE PRES.,  
TREAS., AND OFFICE MAN.



### Organization Chart

Having roughly established the size of the force necessary and the kind of employees needed, we are ready to call upon our employment department for the necessary clerks. While the search for employees and their examination is going on, we may plan the organization so that each employee will have a definite place into which to step. The most easily understood method of planning and recording such an organization is to construct a chart. Examine the Chart V on page 105. Here is definitely indicated the position of each person in the office. If a new employee is engaged to operate a billing machine, it will require only a moment's study of a chart of this kind to point out to him what his relation to the entire force will be. At a glance, it is possible to determine the authority and the duties of each employee. Such a chart should be in the hands of every person in the office, or should be posted where each one can examine it when necessary.

It is not enough, however, to simply plan and create an organization in this way. A clerk engaged to handle the mail order follow-up and daily record, for example, will need careful instruction in this work. So will practically all the other employees in the office. The modern method of instructing employees as to the work they will be called upon to do is through the use of an office manual or textbook and a training school. The instruction and handling of employees is really a problem of management and will be treated under that head. The office manual is mentioned here, however, because it is obviously the next step in the office manager's planning. The detailed list of duties which he originally drew up (mentioned in an earlier part of this chapter) will become of immense value in the preparation of such a manual.

### Committee System

The "one man" scheme of organization is fast disappearing. Many large concerns are now managed by committees which decide matters of importance upon which there are apt to be

several opinions. "Two heads are better than one." There is usually an executive committee composed of all the officers or of all the active heads. The office manager, the general sales manager, the factory superintendent, the treasurer and the controller here decide general policies. Each department is in turn managed by a committee composed of the department head and the heads of sub-departments under his control. The advertising committee, for example, is composed of the advertising manager, copy chief, the heads of mail-order, art and contract departments. The office committee is composed of the manager and his chief clerks.

These committees decide all questions of procedure, changes in routine, complaints, plans for improving existing methods, and so on. The subordinate committees recommend to the executive committee suggestions which, if adopted, will affect the company's policies, which involve large expenditures or which are for some other reason important enough to refer to the higher body. The routine management of each branch of the business is, however, left in the hands of the particular committee having jurisdiction.

Care should be taken to guard against the dangerous tendency to spend more time in committee meetings than is necessary. Long drawn out discussions should be avoided; also details which should properly be left to the individuals in charge of the work affected. Daily meetings are not always necessary; some of the minor committees need not meet oftener than once a week. The executive and departmental committees should, however, meet daily in most cases, the meetings being made as short as possible.

Special committees to make special investigations and work out new plans of various kinds are often created. In one concern there is a Form Letter Committee whose duty it is to prepare new form paragraphs and form letters which are placed in a correspondence manual for the use of all departments; in another there is an Office Appliance Committee which is expected to investigate new appliances and recommend those which in the



opinion of the committee should be installed. In another there is a "System Committee" which aims to eliminate useless forms and to plan systems that will reduce the time and expense of handling various features of the work.

### Mapping Out the Work

The capable executive does not meet conditions haphazardly as they arise. On the contrary, he carefully plans ahead and prepares himself and his organization for them. This is really a phase of management, but it may well be treated here since it follows closely what has just been said of building an office organization.

The office manager with his list of duties and his office manual (see Chapter VII) is in a position to plan for the work that is to be done for a month or two to come. In every office the work is of three kinds:

1. Routine.
2. Periodical.
3. Special.

The routine and periodical work is disposed of in the office manual. There are however, few offices in which the routine and periodical duties are so nicely provided for that every clerk's time is fully occupied. There are times when the work is lighter than at other times. The office manager should be able to estimate the approximate overflow time for each employee and should distribute special work in such a manner that as soon as a clerk finds himself without routine work to do, he may have on hand some special work with which to busy himself. A judicious distribution of extraordinary matters of this kind will result in their being disposed of when, otherwise, they may lie around for weeks without attention. There are usually special statistics, the preparation of form letters, the typing of statements, correspondence manuals, and other matters of similar nature to fill in.

The way to handle such a situation is to list the items of a special character and to assign them to the employees who

will have the time to dispose of them. The office manager or the chief clerk of each department should prepare a schedule for each employee, upon which is entered all the work—routine, periodical and special—that is expected of him during a definitely established period.

### BILIOGRAPHY FOR PART I

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"Shop Management"—Frederick W. Taylor.

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"Efficiency as a Basis for Operation and Wages"—Harrington Emerson.

"Modern Organization"—Charles De Lano Hine.

"Introduction to Business Organization"—Samuel E. Sparling.

"Industrial Plants"—Charles Day.

"Principles of Industrial Engineering"—Charles B. Going.

"Organization and Management"—Lee Galloway.

"Psychology and Industrial Efficiency"—Hugo Muensterberg.

# **PART II**

## **OFFICE MANAGEMENT**

## **PART II**

### **CHAPTER VII**

#### **TRAINING OFFICE EMPLOYEES**

##### **Management Defined**

We speak of "organization" and "management" separately having in mind two different activities. It should be noted, however, that they go hand in hand. You cannot have efficient management without an efficient organization, nor can you have an efficient organization very long without efficient management. In order that a business should be profitable each is just as necessary to the other as advertising is necessary to the sales department, or vice versa, or as the production department is an essential factor to the combination of the other departments.

Many an organization, carefully constructed by capable executives during years of patient toil, has been disrupted by the subsequent puerile "supervision" of men unfitted for the task of handling a body of employees. Pickett's charge at the battle of Gettysburg, resulting in an inevitable yet unnecessary loss of life, was due not to poor organization of the Confederate forces, but to an unfortunate order to charge given by a superior officer when the circumstances really called for a retreat, or at least a shift of position. On the other hand before one can efficiently direct the efforts of others it is necessary to properly organize the forces to be directed.

We have defined organization as a combination of all the elements necessary to bring about a desired result. Management is the control and direction of these elements.

Mr. Lee Galloway puts it this way: "Management implies three things—a force, a purpose or result to be obtained, and a director of this force toward a desired end. If any one of these three things is omitted in any activity, no such thing as management is possible.

"A baseball team illustrates this statement. The members represent the force to be managed. Each player is a human dynamo. The winning of the game supplies the purpose and the captain directs the general play to this end."\*

Management is not a matter of forms and systems. "A fool," says Mr. Galloway, "will try to stop a fly wheel with a piece of pink cardboard." The woods are full of "systematizers" who know nothing of forces, but are well informed on pet systems which they have absorbed. Not long ago such a systematizer attempted to interest prominent business men in New York City in a scheme that would show daily the exact profits or losses; the exact fluctuation in each item of income and outgo. A large wall chart upon which these figures were to be represented every day was part of the scheme. It sounded very alluring but somehow did not convince the hard-headed business men to whom it was proposed.

A ten thousand dollar system installed in a manufacturing establishment in Brooklyn was thrown out bodily; it cost more in clerical hire, forms and supervision to run the system than was warranted by the results.

### Two Kinds of Energy

In the management of an office we deal with forces just as we deal with forces in the management of any other branch of business or social activity. By "force" we mean energy. In business there are two kinds of energy—machine energy and man energy.

There has been no difficulty up to the present time in mastering machine energy. Technical schools have long existed for the express purpose of educating men in the laws that control

\* "Organization and Management," by Lee Galloway.

machine energy so that we have experts who can calculate to a very fine point just how much energy a machine will produce under given circumstances. Most manufacturing establishments retain the services of specialists who continuously experiment with machinery intended to produce more machine energy with the use of less man energy.

One of the basic principles in management is that machine energy should take the place of man energy just as soon as the former becomes cheaper in the long run. The office manager often finds it difficult, without the services of such a specialist, to determine the exact conditions which demand the adoption or improvement of a machine to supplement the use of manual labor—keeping in mind ultimate profits. It requires some study to ascertain definitely that the original outlay for a machine, which may be high, will in the long run be considerably less than the saving effected directly or indirectly.

Decision in such cases is not, however, as difficult as it used to be. While it is not always safe to rely upon claims made by the manufacturers of office appliances, it is often sufficient to investigate the actual operation of these appliances in concerns where they are being used. Moreover, by actual test of the amount of work a machine is capable of producing within a given time and by comparison with the results achieved by manual work, the saving or failure to save can be determined. Such tests are not always conclusive, especially if the conditions under which the tests are made differ materially from the conditions under which the machines will actually be used. In order to determine the full capacity of a machine, thoroughly efficient operators should be used to run them in making the tests.

It should always be remembered that efficient management involves the direction of force *toward a desired result*. In business that result is profits. Loading up an office with a lot of mechanical appliances does not necessarily mean that the work will be done more profitably. One of the big manufacturers of duplicating machines has publicly recognized the futility of such

a policy by advertising that he will not sell a machine except to a concern which can profitably use it.

### **Man Energy the Important Factor**

The employment of machine energy is not, however, the most important factor in directing an office force. As has been stated, machine energy can be measured according to definite laws. Far more important is the direction of human energy—man energy—which cannot be measured on the basis of horse power. Walter Dill Scott makes the statement that “Men who know how to get maximum results out of machines are common; the power to get maximum of work out of subordinates or out of yourself is a much rarer possession.”\* This fact has been generally recognized in the management of manufacturing establishments. Production managers, having arrived at a point where further efficiency in machines seemed, if not out of the question, at least a matter of slow progress, began to turn their attention to the more efficient direction of the human energy under their control. This attention was stimulated by men like Taylor, Emerson, Gantt, Brandeis, Going and others. Remarkable results were obtained. The Tabor Manufacturing Company reduced its shop force from 100 men to 70, yet increased its output 100 per cent. The New England Butt Co. succeeded in reducing the labor cost of one part 32 7-10 per cent, increasing its production 89 6-10 per cent. Yale & Towne, the Bullard Machine Tool Works and many other concerns have succeeded in similar reduction of costs and increase in output mainly through enlightened study, analysis and direction of human forces.

In the office, however, progress in this direction has not been so marked. It is only recently that some of the larger concerns have begun to apply fundamental principles of management to the office force. A few smaller concerns are now also giving this matter serious attention.

### **Fundamental Principles**

Mr. Glenn Webster, whose successful experience in office

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\* “Increasing Human Efficiency in Business,” by Walter Dill Scott.



management gives his words weight is of the opinion that the fundamental principles to be kept in mind in handling men are as follows:

- (1) The work a man is doing should fit well into his nature.
- (2) The environment should be such that his mind is free from irrelevant thoughts.
- (3) He should know to whom he is responsible and for what.
- (4) He should be made to feel that he is getting full credit for his work and his ideas.
- (5) He should have peace of mind.
- (6) He should be visited by the desire to serve.

In addition to these you should seek to develop in him good health, ambition, initiative and enthusiasm.

The various aspects of these fundamental details will be treated in their appropriate places.

### **Fitting Worker to His Groove**

The first important fundamental principle to need careful attention is that of fitting workers to their proper grooves. Everyone is by nature intended to perform some particular activity better than any other. Just as soon as the office manager, or the director of any body of men has assigned duties to the employees, who are naturally well equipped, mentally and physically or both, to perform the work assigned to them, he has established fundamentally right relations between workers and tasks. An apathetic, unenthusiastic bookkeeper in many cases will become an ideal sales correspondent because he is by nature not intended to perform routine, confining work. Such a man must have constant change—new problems involving a knowledge of human nature to solve. On the other hand, a poor salesman or a poor advertising man may become an excellent editorial writer or a very capable accountant.

In concerns where there is an employment department in

which physical and character analyses are made, a person's fitness for a particular work can, in almost every case, be determined. If there is, in addition, a training school, such as is maintained by the Curtis Publishing Company, for example, the first judgment can be corroborated or disproved. There are, however, thousands of misfits in offices throughout the country. Many of them keep on plodding aimlessly at work in which they are unsuccessful. Others are discharged when, as a matter of fact, with a little study and adjustment these employees might be made valuable producers. However, the old-fashioned method of discharging employees is gradually being recognized as unwise. In the first place it is an admission that hiring them was a mistake and in that way is a confession of failure. In the second place it weakens the organization within the office by producing a feeling of antagonism against the management since it is more natural for employees to see the side of one of their own number than that of the employer.

In one of the eastern offices a young woman was employed to set type on a duplicating machine. She was an absolute failure. All instruction and watching were without avail. She was finally transferred to the mailing department where the work was to type envelopes. Shortly afterward she was advanced to the head of the out-mail department. An examination proved that her eyesight was not good enough for the type-setting job. She could not without squinting and the exercise of excessive care select the proper type characters and read the closely written copy she was obliged to follow.

Before an employee is finally discharged for incompetency, it is wise to ascertain definitely that he or she will not fit into some other kind of work. It has already been stated in the foregoing pages that it costs about \$100 ordinarily to place a clerk on the payroll. Rather than forfeit this outlay, it becomes business prudence to utilize it if that is possible. In a surprisingly large number of cases, not only is this possible, but it produces unexpected results.

### Reducing Employees.

In fitting an employee to his ground great care should be taken that there is no apparent reduction in his rank. It is the consensus of business opinion that a man who has been reduced is almost certain to try to block the progress of his successor and in general to stir up discontent in the office.

### Proper Instruction

After the relation of man to work has been properly established, it becomes important to see that he is thoroughly instructed in the work he is expected to perform.

It is wrong to engage an employee and take him to the head of a department, and with a simple introduction place his instruction in the hands of that official. The result usually is that he is placed at a desk or a machine and given one piece of work after another to do with mere comment as to how it is to be done. Or frequently, the new clerk is loaded down with a mass of verbal instructions with the result that he remembers but few of them; the rest become a confusing jumble in his mind. The course of training in such a case covers many weeks—often months—during which time there is much waste of material and time, not to mention expensive errors.

It is of the utmost importance that every worker know exactly what he is to do, how he is to do it, and *why*.

### Training Schools

This instruction nowadays is effected in two ways in the more modern establishments: first, through a training school; second, through an office manual or text book.

In the training school of the Curtis Publishing Company, each new clerk is given a thorough training in the handling of the work to which he will be assigned. The general policy and the general scope of the business are explained. His relation to the business as a whole is made clear. He is given "fake" work to do, this work being identical in character with that which will be assigned to him if he is finally employed. He is given a trip

through the entire plant so that he can form a concrete idea of the various branches of the company, and some idea of the scope of its business. This trip impresses him with the fact that the final purpose of the work of the office is to supply subscribers and agents accurately and promptly on schedule with the requisite numbers of the company's publications. He has a part to perform in that work. Before the training school is through with him he knows exactly what that part is and realizes its importance in the general scheme.

These training schools are springing up all over the country. The National Cash Register Company was one of the pioneers in establishing them, although the first school in Dayton was intended for salesmen. The New York Edison Company's school under the direction of Mr. F. C. Henderschott is an especially good example of an office training school. These schools have been in existence in the telephone companies for years. Department stores are also fast taking hold of the idea. Within the next few years we shall probably see the training school in many large office organizations.

Some idea of the interest in training schools for office employees may be gained from the following questions which will be discussed at a meeting of the National Association of Corporation Schools to be held at Dayton, Ohio. The topic under discussion will be "Office Work Schools."

*First.* Does your Company conduct a School for training office employees?

*Second.* If so, do you teach the technique of your operations or does your training consist of general commercial subjects such as bookkeeping, typewriting, stenography, etc.? If the latter, please name the courses, and, if consistent, the text-books used.

*Third.* (a) How do you select instructors?

(b) How do your instructors keep themselves posted in the actual work?

(c) Is your School engaged in training new employees or in increasing the efficiency of old employees, or both?

(d) Is productive or practice work used for instruction? Why?

(e) Do you have individual or class instruction?

(f) Do you hold quizzes for old employees? If so, are they held at regular intervals, and are they written or oral?

(g) Do you use a stereopticon or motion picture machine in connection with your instruction work?

(h) Are all changes or modifications in office methods explained in the classroom to employees before being put into operation?

(i) Do your instructors explain to new employees the nature of the company's business and the theory of the operations to which they are to be assigned?

(j) Does the School record of employees affect their service record in the matter of promotions, increases in salary, etc.?

(k) If any important point about your methods has been omitted, will you kindly explain in detail?

*Fourth.* (a) If you have a School, is it a part of the Employment Department, or does it work in close connection with the Employment Department, so that all applicants for clerical positions are tested before being employed or trained after employed, or both, in the School, before being sent to the Department in which they are to work?

(b) If you do test applicants, what is the nature of the tests?

*Fifth.* Will you let us have an expression of your opinion as to the utility and efficiency of your present work and methods?

*Sixth.* In connection with your work, is there anything you would like the National Association of Corporation Schools to do for you?

### Office Manuals

An office manual is a textbook describing in detail every duty and every operation required in the office. It is usually in loose leaf form, so that changes may be made without difficulty. Its purposes should be to furnish every worker in the office with specific information as to his authority, the work he has to do,

exactly how that work is to be done, and his relation to the force as a whole, thus minimizing verbal explanations which are rarely complete.

An office manual should be divided into two general sections; first, general information as to the policy and scope of the business, together with rules and regulations applying to all employees alike; second, specific instructions as to the routine of each department.

Under the first section, there should be first of all a chart similar to that on page 105; next, a list of employees and their titles, so that by referring to the chart, it will be easy to determine the exact position and authority of every employee on the force; this list is usually omitted in large offices, because of frequent promotions and transfers. Instead, bulletins announcing the changes are issued. At intervals revised lists of employees and the positions they hold are distributed. Third, there should be a statement setting forth definitely the purpose of the business, the policy as to handling customers, complaints from customers and from employees, suggestions, criticisms, telephone calls, and the like. In the Appendix are reprinted sections of the *Marshall Field & Company Rule Book*. This book is an excellent example of the first section of an office manual or textbook. While it applies to a department store, the same plan and, in most cases, the same ideas are applicable to an office manual.

The following general instructions to the employees of a manufacturing concern in Michigan also illustrate what may be placed in the first section of an office manual. The office chart and names of employees are missing, because of the constant growth of the business, necessitating numerous changes.

#### OFFICE ETIQUETTE AND HINTS

The object of a rule is not to abridge the rights of anyone, but to point out the path which experience has taught is the wise one to follow. The traveler making his way over unaccustomed roads is grateful for the guide posts which tell him the way of his destination—he never complains when the sign at the crossroads tell him to go uphill way, for he is glad the sign is there, and obeys cheerfully because he knows he is on the right road.

When you see an officer of the company or head of department busy, either with dictation or in consultation, DON'T interrupt him. DON'T stand outside his office, because it distracts him from work which is probably just as important as the matter you wish to discuss. The same courtesy should be extended to our immediate superior officers as the latter accord the Board of Directors. They would no more interrupt a meeting of the Board of Directors than you would enter a stranger's home unannounced. Let us extend the same courtesy among ourselves as is accorded the Board of Directors.

If you find it necessary to interview a head of another department, phone him first to see if he is in and can see you. Lots of time is wasted in making unnecessary trips only to find that he is out of his office or is too busy on other matters.

Don't bother your superior with numerous details. Take your own time to frame up what you have to say and be ready to make a specific recommendation. When through, GET OUT. You should have a lot of other things, as he has, to look after.

Make one trip and interview do the work of two or ten. Keep a folder on your desk, and place therein all papers and data pertaining to matters which you wish to discuss. Make your appointment for a certain time, and take all the matters up AT ONE TIME. This method will save your time and his, for it is always best to act as if his time were more valuable than yours.

Heads of departments are paid for what they KNOW AND DO; otherwise they would not have charge. Therefore, when possible, decide general matters pertaining to your department, yourself. If you know how a particular matter should be handled, DO IT. If in doubt, then consult your superior by first submitting your recommendation.

When it is necessary to take up anything with another department, care should be exercised to take the matters up with the persons who will have to handle them. We are too prone to go to the head of a department with everything, bothering him with matters which his chief clerk or assistant can handle, and likely will have to handle. We should not bother the Secretary and Treasurer or the Comptroller with matters which the head of the Accounting Department must handle, or which he should refer to them with added information. The General Manager should not be bothered with matters which the Assistant General Manager has not had an opportunity to pass upon. The Sales Manager has endless details referred to him, verbally and by letter, which he is in turn compelled to refer to his assistant. While it is natural for members of the Selling Force to desire to address the General Sales Manager, those of us inside, knowing the departmental organization, should take care to go to the proper person with routine matters. The same trouble is experienced in almost every department.

Department heads spend too much time passing on trivial matters. Subordinates should be thoroughly trained as to things they can pass on,

so they may be able to go ahead with things which obviously should be done. It is only by being allowed to settle matters on their own responsibility that capable heads of departments can be trained from subordinates; and the business is growing so rapidly that we need more executives.

If you have spare time, spend it in your own department, correcting its deficiencies. Each of us has troubles of our own, and cannot take time to be interested in yours. The job of the Office Manager is to help you with your troubles of organisation.

The privilege of smoking in private offices is abused. It does not look right—nor does it help—to have anyone pass from department to department while smoking. The smoking of cigarettes will not be tolerated in the building even after hours.

Care should be taken at all times to do everything quietly. Some clerks shout across a department, or even across the hall, rather than get up and walk over to the person addressed. Sometimes clerks calling back reports talk too loud. This distracts others from their work. The telling of stories, visiting, and every lack of attention to business must be discouraged, and the dignity of the office upheld.

Don't see how near you can come to walking in the office on the stroke of the bell, nor how quickly you can get away. The employee who takes an interest in the company, and is looking for a future here, cannot be a **CLOCK WATCHER**.

When you come to your work in the morning or at noon, go directly to your desk and prepare for your day's work.

Do not stop work until the bell rings, then clean up your desk and leave it in perfect order.

Employees should be dignified in deportment and not wrestle, skip, jostle, or run along the corridors. These things make a bad impression on visitors and on other employees.

When a mistake is pointed out to you, do not display indifference, make excuses, nor try to lay the blame on others, if the fault is yours. Mistakes are shown you simply as a guide to avoid the making of them in the future.

Thoughtless, unnecessary defacing of walls, damage of furniture and fixtures, or posted signs and notices, reckless use of supplies, or the needless burning of light when not needed, creates a waste in serious amount and strays pretty close to that disregard of the other man's property rights, which the world reckons as dishonest.

Don't touch the papers on another man's desk, unless he is there. The Golden Rule applies well here, as elsewhere.

## TO CORRESPONDENTS

In writing letters never show resentment or anger. The letter lives long after the cause of offense is forgotten. Remember that the Selling Force and all our customers have made a job for you.



In answering correspondence, get to the point as quickly as possible, but don't miss it. Your correspondent doesn't want to read a page of introductory remarks and flowery language and find what he is after is contained in the last paragraph. Imagine if you can the circumstances under which the letter was written and then an extra paragraph containing some helpful suggestion may be applicable. Never indulge in short, sharp or flippant remarks. It's a great mistake and shows poor training.

Remember that the seven most important requisites of a letter are: Brevity, Correct Spelling, Clearness, Neatness, Courtesy, Accuracy and Absolute Truthfulness.

Don't answer only a part of a letter unless you refer to the fact that the other portion will be answered in another letter.

Don't write a Branch Office for information when it can be had at the factory with a little extra exertion on your part.

Remember the primary object of the Field Force is to sell machines. Therefore, they should receive your help instead of your burdening them with unnecessary labor. They have made your job possible.

#### TO STENOGRAPHERS AND DICTAPHONE OPERATORS

Take pride in your profession and your work.

There's no secret of success in either—it's simply hard work backed up by good common sense and conscientious effort—and "playing the game according to the rules."

Remember that the more you know the more valuable you are. Your efficiency is judged by the quantity and quality of the letters you turn out. A slow but accurate operator is to be preferred to a rapid inaccurate one.

Watch the phraseology when transcribing and when a sentence does not read smoothly or correctly, arrange it so that it does, but be very sure you do not change its meaning.

Never strike one letter over another without erasing the first one. In case it is necessary to erase, do it neatly and without showing that an erasure has been made.

Abbreviations of any sort are not permitted.

Avoid an uneven right hand margin.

#### GENERAL APPEARANCE OF DEPARTMENTS

The first impression gained by visitors is usually a lasting one, therefore heads of departments should see to it that their departments are always kept in a neat and orderly manner.

Hats and coats must be placed in lockers provided. Unnecessary papers and boxes of whatsoever nature should not be piled upon the floor, desks or cabinets. Drawers of desks should not be used as a storage place for junk of this kind. A good rule is to go through the desks once each month and have a "general housecleaning." The rule of "A place for everything and everything in its place" applies here.

Each employee should, of course, be provided with a copy of the first or general section. If there are not enough employees to warrant its

being printed, fac-simile copies may be made on a duplicating machine and kept in loose leaf binders.

### The Department Sections

The second section of the office manual is divided into a number of sub-sections—one for each department in the office. Each employee is provided with a copy of the general section and the sub-section applying to his own department. The office manager, his immediate assistants, and the executive officers of the company are provided with complete copies of the entire manual.

The sheets for each department may be either typewritten or run off on a duplicating machine according to the number of employees in the department. Where there are only five or six employees in a department it is cheaper to make the copies at one writing on a typewriter. Where there are twenty or more employees it is more economical to print the instructions on a duplicating machine.

In writing these departmental sections, the best plan is to have each department chief list on sheets of paper every detail, no matter how minute, connected with the work under his supervision. He will be more apt to include all the details than would the head of the office. By conferring, and by analyzing, comparing and criticizing the material thus submitted, inaccuracies and omissions will generally be detected.

In large concerns the chart in the general section is frequently condensed and supplemented by additional departmental charts.

The Collection Department Section of an office manual used by one of the large publishing houses in the East is reprinted in the Appendix. It will give an idea of the detail which the department sections should contain. In actual use these instructions are printed on separate sheets, one sheet for each unit of work. Each sheet is indicated by the symbols in the upper right hand corner—E1, for example, for the first page; E2 for the second, and so on.

This symbol system, by the way, is interesting. In this par-

ticular concern the general section and each departmental section is indicated by a letter. To the general section is assigned the letter "G"; to the Collection Department the letter "E" to the Mailing Department the letter "M." While the letters are not in every case of mnemonic value they sufficiently distinguish one department from another.

A new clerk if given a manual such as this to study will master the details of his position much more rapidly than would be the case if he were obliged to depend upon verbal instructions and explanations. He knows exactly what will be required, where he stands in his department, and, in a general way, the reasons for the work he is doing. When questions as to procedure arise he can generally answer them by referring to the manual.

### Supplementary Instructions

When any important change is made in the routine of a department it is wise to prepare entirely new sheets to replace those upon which the old routine is described. Bulletins ordering employees to make their own changes are not apt to be effective. Not only will some of the employees fail to make the required corrections, but the uniformity of the copies will be destroyed. Minor changes—such as substituting a new word—may be made by issuing instructions of this nature.

### Decision Books

Some concerns maintain a decision book in which are kept in typewritten form decisions made from time to time by the head of the department and by others. A numerical and alphabetical index is kept in the front part of the loose leaf book. Below is an example of such an index.

#### AGENTS

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## CHAPTER VIII

### SUPERVISION AND SALARY PLANS

#### Know What Your Force Is Doing

Thus far we have discussed two concrete principles of management, namely, fitting the worker to his job and providing workers with proper instructions. The third principle in the order of importance is that of keeping in close touch with the work in the office. Many office managers recognize the principle, but fail to apply it properly. To them it means that they must constantly watch each individual's work. They must walk around the office and pick up details here and there. The result is that their minds are choked up with a confusing mass of details. They jump from one thing to another. There is lack of correlation and order. You usually find that their desks are heaped high with delayed correspondence, reports and the like, and that they work overtime much more often than should be necessary. Mr. Harry A. Hopf, the insurance office specialist connected with the Germania Life Insurance Company, maintains as one of his principles that "an executive should not be hampered with routine details, but that anything out of the ordinary should come to his attention promptly and automatically." The office routine is a matter of course and should not require detailed supervision by the manager. He is interested in results and in the irregularities. If the results are not up to the standard, there should be some automatic method that will call his attention to that fact, so that he can investigate the cause and correct the defect.

Moreover, the executive should not burden himself with a

mass of details which can just as efficiently be handled by persons whose salaries are in accordance with the importance of the work.

The office manager may keep his fingers on the pulse by adopting, first, daily reports to heads of departments; second, weekly reports from heads of departments to manager; third, comparative statistical statements; fourth, graphic charts.

### Daily Reports

Each department chief should be in absolutely close touch with the work of the employees directly under his supervision. A daily report made out by each employee will give him an accurate knowledge of the efficiency of each worker; it will, moreover, furnish a basis for his cumulative report to the office manager; finally, it will impress each employee with the fact that the management is not only interested in the work he is doing but *knows* what he is doing.

These reports should account for every hour of the day. When an employee writes in actual figures the amount of work he has done in a given time he unconsciously begins to measure his own work and to determine for himself whether or not it is up to par. Only a few moments are required to keep the daily report and the self-check thereby imposed is a wonderful stimulant toward efficiency.

Form 1 is a copy of a daily report used in the Collection Department of the publishing house, part of whose office manual is reproduced in the Appendix. Form 2 is a daily report used in another division of the same Collection Department. It will be noticed that the reports are arranged for an entire week. They are, however, handed to the chief of the department each day. Form 3 is a daily report used in the Flexotype Department of one of the large manufacturing concerns in Pennsylvania. Form 4 is a form on which each operation is numbered, thus facilitating the keeping of exact time on each operation.

In some cases it is not necessary for the employees themselves to write their own daily reports. In many typing de-

Individual Time Sheet --- Week ending \_\_\_\_\_ 191

(Signed) \_\_\_\_\_

## Memorandum

**Special**

[illegible]

**FORM 2**

DAILY FLEXOTYPE WORK		NAME
1	2	3
4	5	6
7	8	9
10	11	12
13	14	15
16	17	18
19	20	21
22	23	24
25	26	27
28	29	30
31	32	33
34	35	36
37	38	39
40	41	42
43	44	45
46	47	48
49	50	51
52	53	54
55	56	57
58	59	60
61	62	63
64	65	66
67	68	69
70	71	72
73	74	75
76	77	78
79	80	81
82	83	84
85	86	87
88	89	90
91	92	93
94	95	96
97	98	99
100	101	102
103	104	105
106	107	108
109	110	111
112	113	114
115	116	117
118	119	120
121	122	123
124	125	126
127	128	129
130	131	132
133	134	135
136	137	138
139	140	141
142	143	144
145	146	147
148	149	150
151	152	153
154	155	156
157	158	159
160	161	162
163	164	165
166	167	168
169	170	171
172	173	174
175	176	177
178	179	180
181	182	183
184	185	186
187	188	189
190	191	192
193	194	195
196	197	198
199	200	201
202	203	204
205	206	207
208	209	210
211	212	213
214	215	216
217	218	219
220	221	222
223	224	225
226	227	228
229	230	231
232	233	234
235	236	237
238	239	240
241	242	243
244	245	246
247	248	249
250	251	252
253	254	255
256	257	258
259	260	261
262	263	264
265	266	267
268	269	270
271	272	273
274	275	276
277	278	279
280	281	282
283	284	285
286	287	288
289	290	291
292	293	294
295	296	297
298	299	300
301	302	303
304	305	306
307	308	309
310	311	312
313	314	315
316	317	318
319	320	321
322	323	324
325	326	327
328	329	330
331	332	333
334	335	336
337	338	339
340	341	342
343	344	345
346	347	348
349	350	351
352	353	354
355	356	357
358	359	360
361	362	363
364	365	366
367		

[illegible]

FORM 3

### Daily Report Forms.



partments where record is kept of the amount of work turned out by the chief of the department, or by clerks especially

COLLECTION DEPARTMENT—Collection Division													
Individual Time Sheet—Week ending _____ 191													
(Signed) _____													
	Remittances		Receipts		Contracts		U.A. Notices		No. to Ekpr.		Miscel.		Total
	Quantity	Time	Quantity	Time	Quantity	Time	Quantity	Time	Quantity	Time	Quantity	Time	Time
M													
T													
W													
T													
F													
S													
Total													

Form 1.

assigned to that work, the daily report is made out by the person who takes count of the results (Form 5).

### Weekly Reports

Each department head should recapitulate the figures in the daily reports on a weekly report to the office manager. Just how much definite information this report should contain is a matter to be determined by the manager himself. In two schedules reproduced herewith are the weekly reports of the collection department referred to above. It will be seen that Schedule A is a condensed statement of the amount of work produced by the entire department. The number of reminders, form letters, and drafts sent out are indicated and their form numbers given. The amount of money which each particular form "pulled" is also given, together with the percentages. The office manager can quickly determine whether a sufficient number of forms are being sent out by referring to the number of

- 1 **Checking Daily Reports**
- 2 **Checking Lists**
- 3 **Checking Inquiries**
- 4 **Checking Complaints**
- 5 **Checking Sales Sheets with Reference Books**
- 6 **Counting Users and Changing Agencies**
- 7 **Posting Users' Records**
- 8 **Revolving "Five and Over" List**
- 9 **Checking or Writing Cards and Lists for Office Departments**
- 10 **Writing Cards and Lists for Outside Agencies**
- 11 **Changing New User's Advertising and Address**
- 12 **Checking Settlement Sheets**
- 13 **Checking "No Business Indicated" Returns**
- 14 **Making Counts for Office Departments**
- 15 **Indexing Telephone Books**
- 16 **Looking Up Returned Mail**

When you begin an operation, write the Account Number. Your supervisor will always write the date. When a key is started (\*) a work ticket is started. Write the work ticket number, the quantity of work done, and the quantity of work done.

TO BE FILLED IN ON

### DESCRIPTION OF WORK

**( BACK )**

**( FRONT )**

# FORM 4

**APPROVED**

### Daily Report Form and Time Record

**ADVERTISING-MAILING DEPT'T**

## DAILY TIME REPORT

**NUMBER 95**

6.00	8.15	8.30	8.45	9.00	9.15	9.30	9.45
10.00	10.15	10.30	10.45	11.00	11.15	11.30	11.45
12.00	12.15	12.30	12.45	1.00	1.15	1.30	1.45
2.00	2.15	2.30	2.45	3.00	3.15	3.30	3.45
4.00	4.15	4.30	4.45	5.00	5.15	5.30	5.45

	TIME HRS. MIN.	RATE	AMOUNT	ACCOUNT NUMBER
MM 4 (FRONT)				
APPROVED				

# DAILY DICTAPHONE STATEMENT.

Month of..... Name.....

Dictation	Copy.	Daily Avg.	Total.	Weekly Avg.	Remarks
1	.....	.....	.....	.....	.....
2	.....	.....	.....	.....	.....
3	.....	.....	.....	.....	.....
4	.....	.....	.....	.....	.....
5	.....	.....	.....	.....	.....
6	.....	.....	.....	.....	.....
7	.....	.....	.....	.....	.....
8	.....	.....	.....	.....	.....
9	.....	.....	.....	.....	.....
10	.....	.....	.....	.....	.....
11	.....	.....	.....	.....	.....
12	.....	.....	.....	.....	.....
13	.....	.....	.....	.....	.....
14	.....	.....	.....	.....	.....
15	.....	.....	.....	.....	.....
16	.....	.....	.....	.....	.....
17	.....	.....	.....	.....	.....
18	.....	.....	.....	.....	.....
19	.....	.....	.....	.....	.....
20	.....	.....	.....	.....	.....
21	.....	.....	.....	.....	.....
22	.....	.....	.....	.....	.....
23	.....	.....	.....	.....	.....
24	.....	.....	.....	.....	.....
25	.....	.....	.....	.....	.....
26	.....	.....	.....	.....	.....
27	.....	.....	.....	.....	.....
28	.....	.....	.....	.....	.....
29	.....	.....	.....	.....	.....
30	.....	.....	.....	.....	.....
31	.....	.....	.....	.....	.....

# SUPERVISION AND SALARY PLANS 135

accounts good, doubtful and outstanding listed on the lower half of the report.

He can determine by the percentage records whether the forms are effective. By comparing the reinstatements, the new doubtful accounts, and the cancellations, with the outstanding accounts for the previous week and the new accounts added since, he can verify the accuracy of the reports.

## WEEKLY REPORT—COLLECTION DEPARTMENT

Week ending....., 191 .

### SCHEDULE "A."

				% to date.	% for week.
Reminders:	Form	Sent to date	Remitted		
	Form	Sent to date	Remitted		
Letters:	Form	Sent to date	Remitted		
	Form	Sent to date	Remitted		
	Form	Sent to date	Remitted		
	Form	Sent to date	Remitted		
	Form	Sent to date	Remitted		
	Form	Sent to date	Remitted		
	Form	Sent to date	Remitted		
Drafts:	Express,	Sent to date	Remitted		
	Bank	Sent to date	Remitted		
	Special,	Sent to date	Remitted		

### ACTIVE ACCOUNTS

Good  
Doubtful  
Cancelled

### INACTIVE ACCOUNTS

Paid  
Dead  
Compl.

TOTAL

Reinstatements: AMOUNT NUMBER  
Chagd. to Doubtful: AMOUNT NUMBER  
Cancellations: AMOUNT NUMBER  
Collections: AMOUNT NUMBER  
Daily Average: AMOUNT NUMBER

CONSTRUCTIVE WORK:

RECOMMENDATIONS:

Collection Chief Clerk.

WEEKLY REPORT—COLLECTION DEPARTMENT

WEEK ENDING JULY 5th, 1913

SCHEDULE "B"

	Reminders			Second Requests			Form Letters			Special Drafts			Bank Drafts			U.A. Notes Del. Accts.			New Orders			Att'y Reps.			Remit- tances			Notations on cards			Receipts			R.J.C. Memos to			Miscellaneous
	Quantity	Total cost	Time	Quantity	Total cost	Time	Quantity	Total cost	Time	Quantity	Total cost	Time	Quantity	Total cost	Time	Quantity	Total cost	Time	Quantity	Total cost	Time	Quantity	Total cost	Time	Quantity	Total cost	Time	Quantity	Total cost	Time	Quantity	Total cost	Time	Quantity	Total cost	Time	
M. Donohue																																					
R. Callahan																																					
A. Palmgreen																																					
A. Scofield																																					
E. Stewart																																					
H. Tager																																					
Totals																																					

FORM 7

Weekly Report Form

Schedule B shows clearly the kind of work, the quantity, the time consumed on each, the total cost for each kind of work, and the cost per unit.

The office manager in this concern receives similar weekly reports from all departments; they enable him to determine the efficiency of the department as a whole, and of the individual workers. Form 8 is a typical weekly report for the Department of Issue in one of the large insurance companies.

There are office managers who claim that the amount of units is not an indication of an employee's efficiency. Into everything a stenographer or a file clerk does there goes a "thought." The last statement is perfectly true; the first only partially. Many employees devote too much thought on matters which should be mechanical. They salve their consciences when, at the end of the day, there is still a half day's work left, by remembering that everything they did was correctly and thoughtfully done. There is such a thing as over-thoughtfulness in handling details. The result is that additional help is unnecessarily required.

When the president of a company submits his report to the board of directors he does not state in general terms that the company has been very prosperous, is selling more goods than other concerns in its line at a lower cost, etc., etc. His reports contain figures, and the directors draw their own comparisons and conclusions. The comparisons are made with past performances and with possible standards.

Just so should the office manager draw comparisons and conclusions. Yet very few do that. To establish standards it is necessary to get actual reports of the work that is now being done. "That is all very well in large concerns, where thousands of units of the same kind of work are handled. But how can you measure the production of an office where hardly two units of work are alike?"

There is probably no more diversified work than that in the accounting department. Here are two typical weekly re-

DEPARTMENT  
OF ISSUE

REPORT FOR WEEK ENDING, June 14

SUSPENSE SECTION	(Applications on hand	106
	(Amount	\$453,000
	(Cases disposed of	177
	(Amount	\$382,980.30

STENOGRAPHERS' SECTION:		:Arnold	929
	(Cyclometer	:Fitzsimons	829
	( readings	:Porter	665 (Absent 1 ½ days)
		:Rennenberg	1,151
	(Mail	:Incoming	499
	(Statistics	:Outgoing	698
	(Policies	:Fitzsimons	53 errors 9 (Av. in 6)
	( written	:Rennenberg	119 " 15 ( " 1 " 8)

POLICY SECTION:	(Changes disposed of	42
	(No. of policies issued	153
	(Amount	\$329,480.30
	Writing Data Sheets	157
	( Harrington 59 errors 20	
( von Schultz 98 " 16		

INDEX SECTION:	(Incomplete cases on hand	116
	(Amount	\$294,000
	(M.I.B. Cards received	3,752
	( Filing—Hartman	1,247 errors 5
	Rennenberg 11	1,260 " 1
	Wulp 1	— " -
	" 11	1,245 " -
	(P.H.I. Revision work	
	( Checking—Hartman	3 pages
	Rennenberg 11	- "
Wulp 1	- "	
" 11	- "	

6-16-13

Form 8—Weekly Report.

ports submitted by two different divisions of the Sherman-Williams Company's accounting department. They show in detail just what each department has done. Notice, for example, the item "219 journal entries." The auditor knows every Monday morning just where the whole accounting division stands, how much was done in the preceeding week, what is behind, and so on. Knowing the standard number of journal entries, for example, he detects quickly a rise or fall in the past week's performances.

Reports such as these can not be made the basis of bonus systems, but they do furnish a stimulus to the employee. He knows that the head of the department will know on Monday morning just what he has done during the week. He knows that the head, being an experienced man, can tell whether he is keeping ahead of his job or whether his job is moving ahead of him.

#### GENERAL ACCOUNTING

..... Auditor		Factory Bookkeeping Dept.		
Journal Entries—219.		Weekly Report Ending....		
<i>Reports Completed</i>		<i>Due</i>	<i>Out</i>	<i>Late</i>
Cleveland Factory Balance.....	15	17	2	
Cleveland Tin Can Balance.....	15	16	1	
Chicago Factory Balance.....	15	15	—	
Chicago Tin Can Balance.....	15	15	—	
Chicago Dry Color Balance.....	16	16	—	
Detroit White Lead G. S.....	14	18	4	
Newark Factory Balance.....	15	16	1	
Newark Dry Color Balance.....	15	15	—	
P. & S. & Advertising Balance.....	15	17	2	
Consolidated Service and Expense.....	18	18	—	
Consolidated Ledger Balance.....	16	18	2	
Consolidated Oil and Varnish Output.....	18	18	—	

The Detroit White Lead G. S. Reports were late account of the Expense and Miscellaneous information being received on the 14th, and being unusually busy on Balance Sheets, the G. S. Reports could not be completed earlier.

Absent—None.

Tardy—None.

Time Off—None.

#### GENERAL ACCOUNTING

Linseed Oil Bookkeeping Dept.

..... Weekly report ending.....

AUDITOR.



	Date Due	Date Out
L. 7 Weekly Report of Operation.....	5/19	5/20
L. 87 Weekly Soap Report.....	5/19	5/20
L. 78 Weekly Report of Yield.....	5/19	5/20
L. 1 Daily Report of Yield.....	Daily	Daily
L. 8 Time Cards .....	Daily	Daily
Semi-weekly Quotation Report.....	Semi-weekly	Semi-weekly
Making up inventory statement for Mr. Schofield.		
Supplying Bookkeeping Dept. with Sales information.		
Making up special statements for Mr. Douglas and Mr. Durbin.		

Absent—None.

Tardy—W. Komanec—Thursday.

Time Off—W. Komanec— $\frac{1}{2}$  day—sick.

### How to Make Comparisons

Reports are valueless except when compared. Any statement of results in order to perform its purpose should be compared with past performances, and with standard performances. Accountants usually present comparisons of periodical profits and expenses by means of what is known as a comparative profit and loss statement, showing in parallel columns the sales, cost, expenses and profits for each month for a series of from six to twelve months. Similar comparative statements are used by office managers in keeping track of the performances of their clerks. To this end the results on the weekly reports are tabulated in comparative form.

Another method of comparison is the graphical chart. Graphs are used extensively in manufacturing departments, but have not yet made their appearance generally in offices. There is no reason why they should not apply to the office as well, except that in some cases the details are too numerous to be charted. Where the work in one department is of uniform units, as in the typing department, graphical charts are not only possible, but decidedly useful.

### Other Methods of Supervision

The reports just discussed form the backbone of an efficient system of office supervision. They are not, however, the sole means of keeping in touch with what is going on in the office.

The Hill Publishing Company, and many other concerns, have adopted a practice of having the carbon copies of all outgoing letters laid upon the desk of some executive. This executive glances through the letters, thus noting their appearance and their contents. Since the correspondence of a concern with the people with whom it does business is a reliable guide to its affairs, it will be seen that this is a very effective method of scrutiny. Complaints that are not properly attended to or that reveal a weakness in some part of the organization are forcibly brought to the executive's attention. When the mail is so heavy that this becomes impracticable, an inspection of this sort may be made at intervals of three or six months, as the circumstances may demand.

Another method of supervision is the practice of irregularly, but with sufficient frequency, examining personally some part of the work. For example, it is a good plan to take at random some file drawer and run through it to determine whether the files are in proper shape; or to examine a section of the collection ledgers to determine whether they are being properly followed up, or to pounce upon a lot of mail going out to ascertain whether care is being exercised in sealing and affixing the proper amount of postage, and in sending out the right enclosures.

It is not necessary, nor efficient, to attempt to follow closely every detailed operation in the office. The reports, summaries, comparisons and periodical examinations, together with alert observation of irregularities, are the general methods used by the modern office manager.

#### Stimulate Full Use of Energy.

The term efficiency has during the last three years been used probably more than any one word in the business vocabulary, yet there is not a general understanding of what the term means. Mr. Harrington Emerson has written a book called the "Twelve Principles of Efficiency," but there are many business executives who have failed to grasp the application of these twelve prin-

ciples to actual business conditions. The Efficiency Society has defined the term as the "ratio of results to effort expended."

The measure of efficiency is the ratio between what we should do and what we actually do. An operation with every vestige of waste eliminated, and with every possible ounce of speed utilized, is performed with 100 per cent. efficiency. One hundred per cent. efficiency, therefore, is standard. Anything less than that, so far as it can be measured, is a definite percentage of standard. That is where we get the expression 20, 30, 40 or 50 per cent. efficient. The statement is undoubtedly true that most office workers are only 50 per cent. efficient; or at least the results of their efforts are capable of a 50 per cent. increase through the adoption of the proper stimulus.

To stimulate a worker toward the use of the full amount of energy which should really be applied to his work is by no means the same thing as driving him to the utmost use of his powers. The modern manufacturer, instead of attempting to make his tools and machines last as long as they possibly can, aims to take advantage of their full capacity within the shortest possible time. That is to say, if a machine is capable of turning out 25,000 parts in given hours when a certain speed is used, and by increasing the speed 50,000 parts can be produced in the same time the higher speed is adopted, even though as a result the machine will last half as long.

The same principle should not, however, be applied to human beings. A machine can be scrapped without loss; a human being cannot. He is thrown upon society, a useless member. Moreover human energy driven to the point of exhaustion will not produce nearly the results that human energy sanely employed will produce. Most every one has had the experience of working from early morning until late at night at top speed, with the result that the supply of energy for the next day's work was seriously impaired. Such a condition, kept up for any length of time without proper amount of rest and recreation, would, in most cases, result in a physical breakdown.

It is not driving to the point of exhaustion that is aimed

at in maximum efficiency. The elimination of useless motions, and a full use of all the employee's power, combined with the proper recreation and rest will increase the productive power of office employees from 30 to 60 per cent. in most any office. There are many ways in which this may be done.

### Bonus System

The most talked of method is that of providing suitable rewards. There are in this country three wage systems in use; the day work, the piece work and the bonus or task systems. The piece work plan was originally an attempt to stimulate increased production through payment based upon the amount of work turned out. When it was first tried it actually did increase production, but at the same time it convinced employers that they had been previously paying their employees wages that were too high. Piece work rates were, consequently reduced. In many cases they had actually been too high in the first place. In others the reductions were unwarranted. In any event, a reduction in piece work rates always resulted in dissatisfaction, so that finally employees ostracized colleagues who turned out more than a certain number of pieces. It was an unwritten law that the production was not to go beyond a well understood limit for each employee.

Taylor, Gantt, Emerson and others, recognizing the advantage of rewarding employees for increased production and the irresistible temptation to cut piece work rates, evolved the bonus system. At the same time they began to educate employers, pointing out the errors of their ways.

There are several kinds of bonus systems which need not be discussed here. The most popular is that which establishes a normal rate of production at  $66 \frac{2}{3}$  per cent. efficiency, that is,  $66 \frac{2}{3}$  per cent. of standard. An employee exceeding the normal rate is paid a bonus on an increased scale until he reaches 100 per cent., when the bonus scale recedes. This decrease tends toward preventing an over ambitious employee from reaching a point of exhaustion.

### Advocates and Opponents.

The question of establishing bonus systems in offices is one that has aroused considerable attention. Sears, Roebuck & Company of Chicago at one time employed piece work and bonus systems in many of its departments. In the entry department, for example, where there are about 500 entry clerks, payment was based upon the number of tickets written, the salary being a guaranteed minimum. The bonus was based on the percentage of errors made.

Mr. W. D. Lynch, who at that time was manager of the entry department, makes the following statement in a letter to the author:

"The piece work proposition is not looked on with favor in our institution any more. The system was in operation for several years and served its purpose, inasmuch as it showed us the possibilities in the way of output, but we do not recommend the plan for office help. We would not go back to it. The weekly wage system is more satisfactory, and we think the girls really prefer it. There is a great temptation to carelessness in the work when you are paying according to piece work, and to offset this, you must necessarily have an elaborate checking system. Taken all in all, we are not enthusiastic about it, nor do we recommend it for office help."

The Curtis Publishing Company, on the other hand, has in successful operation bonus systems for paying employees in many of its departments. Typists, stenographers and dictating machine operators are paid on the basis of the number of square inches produced. One hundred square inches per hour is considered standard for a \$10 a week girl. In the circulation department bonuses are based on the number of accounts handled. Each girl is given as many accounts as she can take care of. If she works on the accounts of "boy agents," 800 is standard. Fines are imposed for errors by making deductions from production.

### Bases for Measuring Work

There are other concerns paying bonuses for office work. In one publishing house the number of linear feet turned out by each typist is considered as a basis. The machines are set to write lines of six inches. Every two lines, therefore, are equal

to a foot of matter. Another concern, having standardized the length of its lines, uses the number of lines produced as the basis for paying bonuses, considering 100 per cent. efficiency from 6,000 to 7,000 lines a week, depending upon the nature of the matter. A normal week's work averages from 4,000 to 5,000 lines.

Still other concerns are experimenting with a cyclometer, which records the number of strokes produced by each operator. Every 180 strokes is regarded as one point, and a value for each point is established, thus: 1 cent per point of dictation,  $\frac{3}{4}$  cent per point of copy work,  $\frac{2}{5}$  cent per point of miscellaneous work.

One man increased the output in his stenographic department 15 per cent., average quality 50 per cent., with 30 per cent. fewer employees, by studying the situation and applying the results. He studied the time required by several of the more capable stenographers to do the various kinds of work. This gave him a table of definite standards of the amount of work that could reasonably be expected in a day. Different kinds of work were given relative values. Report cards were printed and on them each stenographer was required to report daily the amount of each kind of work done. The totals for three days were posted Thursday in order to give laggards a chance to catch up. In order to earn the maximum salary which the department paid, a stenographer must average from week to week the average amount of work. If she fell below, her salary fell. If she exceeded it she received a bonus.\*

A mail order house rewards an employee whose record for speed, accuracy and punctuality is high grade by a bonus in the shape of a weekly lunch ticket good for six noon-day meals in the concern's well equipped restaurant for employees. Each meal has a value of 25 cents. The luncheon bonus has made efficiency popular in the office and is won by about 70 per cent. of the entire force.\*\*

\* "The Grinding Mill of Business," W. H. Burquest, *Business*, 1912.

\*\* "Stimulating the Office Force," *"Business,"* December, 1911.

It is evident that the bonus system *can* be applied to office work. There are, nevertheless, many defects which deserve careful consideration. The most important, perhaps, is that of incurring the displeasure of employees through the belief that the system is unfair insofar as their bonuses may depend upon the degree of speed obtained by other persons in the office.

In taking dictation the operator is seriously hampered through halting, indistinct and careless enunciation. Wherever a bonus depends very largely upon the accuracy and speed with which work is given to those who have an opportunity to earn a bonus care must be exercised to insure a fair deal. It is also important that there be enough work of a uniform kind to keep the employee well supplied so that the bonus will not be reduced by reason of insufficiency of work.

Bonus systems are not always economical. In a small office, where each girl handles a number of different kinds of work, a bonus system would be impossible, unless it were based upon such elements as tardiness, errors, suggestions and the like. The work produced would be so variable as to form no opportunity for the establishment of definite standards. Moreover, the cost of supervision and checking would be far greater than the resulting increase in production. Only where the units of production are sufficiently uniform and sufficiently numerous is there opportunity for the efficient application of a bonus system.

Finally, it is important that the bonus system do not encourage errors and careless, thoughtless work. Fines should be imposed to guard against such a situation.

Any bonus system based upon the amount of output implies, of course, that the standard of output has at first been well established. The same error of making standards too low, necessitating the lowering of rates later, that beset the manufacturers who had trouble with their piece work rates, is apt to occur in the operation of a bonus system. It is impossible to furnish the reader with definite standards which he may apply in his own office. The conditions in each office vary too much. The following figures, tabulated from answers to ques-

tions sent broadcast to office managers, give a general idea of the detail that may be found by tests in the performance of various operations.\*

Opening letters and sorting for distribution, 60 per hour when carefully read prior to distribution; 200 per hour when hastily glanced through in order to determine the person to whom it should be referred.

Registering orders in an order register, vary from 80 to 1500; about 200 per hour for orders containing five items.

Typing letters from stenographic notes, 15 per hour, based on letters three-fourths of a page long.

Folding and creasing letters, 500 per hour.

Stamping envelopes, 8000 an hour by use of sponge; 8600 an hour by hand machine. The power machine seals, stamps and counts 10,000 an hour.

Adding items on an adding machine, 2800 an hour; on listing machine, if run by electricity, 25 per cent additional. Non-listing machine, 8400 an hour; non-listing machines of type, 6000 an hour.

### Avoiding Overwork

In establishing a reward system, such as a bonus system care must be exercised to prevent overwork. Unless a maximum bonus is established there will be a tendency on the part of some employees to cut short the lunch hours and stay overtime at night in order to earn large bonuses. In many cases, such efforts can be traced to home conditions making it necessary for the employee to contribute a large part of the income. While there should be a desire on the part of the office management to permit each employee to increase his income as much as possible, compatible with proportionate production, there is a danger in overdoing the thing. Physical exhaustion is sure to set in sooner or later. A human being can run along on high tension for a short time, but there is a limit beyond which exactly reverse results might be expected. Nervous prostration is one of the most serious effects.

To offset any such tendency the efficient bonus system establishes a declining rate of bonus beyond a certain point, and a maximum point of production beyond which no bonuses are pa

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\* Address by W. L. Chandler before Ad Sell League:



### The Merit System

There are also systems of reward that do not involve the payment of money prizes. The Commonwealth Edison Company of Chicago has had considerable success with its merit system, which is described in the following extract from its Employees' Hand Book.

For the purpose of better recognizing faithful and competent service, the Company has established a Merit System which is conducted as hereinafter specified.

The administration of the Merit System shall be vested in the Advisory Committee, acting through its Sub-Committee on Employees.

The Merit System shall apply to all employees on the semi-monthly or monthly pay-roll receiving less than \$2,000.00 per year; also to all employees on the weekly pay-roll who have rendered more than six months of continuous service.

The scale on which employees' records will be marked, shall include both merits and demerits, and under each heading and sub-heading one or more merits shall offset an equal number of demerits.

An employee's record shall be divided into three principal parts, and each part shall be marked separately. These three parts, and their relative values in a perfect record, shall be:

Punctuality .....	18 per cent.
Attendance .....	20 per cent.
Performance of duty.....	67 per cent.

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Total.....100 per cent.

Merits and demerits shall be marked under each of these headings above or below what shall be taken as a "fair" record.

Punctuality shall be based on daily record in which the percentage of perfection shall be the ratio of days on time to working days in the particular class of employment. Allowance shall be made for tardiness of employees, when excused on the recommendation of their immediate superior, by the head of their department, for any of the following reasons:

1. Tardy on account of Company business.
2. Illness or disability contracted in the Company's service.
3. Death in immediate family.

The grading for each quarterly period shall be as follows:

100 per cent.....	2 Merits
99 per cent.....	1 Merit
98 per cent.....	0 Merits
96 per cent.....	0 Merits
92 per cent.....	4 Demerits
84 per cent.....	12 Demerits

Other points (merits or demerits) by interpolation. Should fractional percentages result where grading is a matter of statistics, one-half or greater than one-half percentage shall be taken as the next higher percentage, as, for instance, 98.5 per cent. shall be 99 per cent. Should fractional merits result they shall be taken in the same manner as fractional percentages.

Attendance shall be based on daily record in which the percentage of perfection shall be the ratio of total days at work to total working days for the particular employee in the three months' period. Allowance shall be made for absence of employees when excused on the recommendation of their immediate superior, by the head of their department, for any of the following reasons:

1. Absence on account of Company business.
2. Illness or disability contracted in the Company's service.
3. Death in the immediate family.
4. Vacation.

The grading for each quarterly period shall be as follows:

100 per cent.....	3 Merits
99 per cent.....	2 Merits
98 per cent.....	1 Merit
96 per cent.....	0 Merits
92 per cent.....	6 Demerits
84 per cent.....	18 Demerits

Other points (merits or demerits) by interpolation; fractional percentages and fractional merits to be treated the same as under Section 5.

Performance of duty must necessarily be based on the judgment of each employee's immediate superior as to the character of work done or not done by the employee. As the duties vary greatly in the different departments, each head of the department will base his ratings on the following qualities, assigning such relative importance thereto as the conditions in his department may warrant.

Receptiveness.	Ability, effort and success in grasping information, orders and instructions.
Application.	Industry, conscientious and persistent effort.
Courtesy.	Written or spoken language, manner or action in every way to public or fellow employees.
Loyalty.	True to interests of Company.
Accuracy.	Avoidance of mistakes which cause expense, delay or annoyance to the public or to the Company.
Speed.	Not haste, but relative time in which duties are properly performed.
Reliability.	Faithfulness, always ready and willing when wanted, and in good physical condition.

The total rating for each quarterly period shall be according to the following tabulations:

Perfect .....	100 per cent	10 Merits
Very Good.....	96 per cent	6 Merits
Good .....	92 per cent	2 Merits
Fair .....	85, 80, 90 per cent	0 Merits
Poor .....	70 per cent	10 Demerits
Very Poor.....	55 per cent	25 Demerits

Other points (merits or demerits) by interpolation.

Each foreman or head of sub-department shall recommend quarterly, on form provided, a grading as outlined in the preceding three sections, of all employees under his charge, which grading shall be based upon the best and most accurate information obtainable. This recommendation shall be forwarded to his superiors, and, after approval or correction, through the regular channels to the Secretary of the Advisory Committee, who, after the grading has been fixed by the Employees' Committee, shall enter such grading in the permanent Employees' Record File.

At the end of each calendar year, all records shall be closed and balanced, and no balance shall be carried forward into the following year, but the net result under each of the three principal headings, as set forth in Section 4, shall be made a matter of permanent record for each individual year.

Any employee, upon application to the Secretary of the Advisory Committee, shall be given a copy of his Merit Record. If he should be dissatisfied with the markings thereon appearing, he may apply in writing to the head of his department, stating wherein he believes an injustice has been done him, and asking for a revision of his markings; and if said application shall contain a reasonable indication that a material error may have been made in the marking the Employees' Committee shall at the request of the head of his department properly and diligently ascertain the facts and correct any error which may be discovered, or reaffirm its former decision.

Each employee knows that he is graded, that a record of his grade is in the hands of the management, and that his further progress will depend upon his record. It is, however, better to establish a plan of reward which will periodically call to the attention of an employee his standing in comparison with others. Unless employees constantly have before them information that enables them to determine whether or not they are doing their share in maintaining the efficiency of their departments, and unless they can in some way compare the results of their efforts with those of their colleagues they are apt to lose interest in the general standing of the department. A spirit of friendly competition should be fostered.

### Another System

The H. E. Lesan Advertising Agency through its Employees' Association has established a system of merits and demerits which is interesting and seems to be very effective. The merits and demerits are based on a unit of \$5. They are credited to and deducted from the amounts set aside as a bonus which the Company declares each year based upon its profits and upon each employee's salary. Merits are awarded for suggestions, improvements and other evidences of good work. The name of the employee to whom the merit is awarded is posted on a bulletin in the office, together with a description of the improvement suggested, or the reason for the merit. Following is a specimen memorandum which appeared on the bulletin board:

#### GENERAL MEMO.

##### Re Merits

At the Merit Committee meeting recently action was taken on recommendations which had been made to it from time to time and the following merits were awarded.

- J. J. C.—For coming to the office and preparing complete information regarding the status of his work before responding to an urgent call to his home in Boston. Two Merits, \$10.
- F. G. H.—For correcting oversight in Acme schedule and obtaining additional space of 84 lines for practically the same money. Two Merits, \$10.
- T. P.—For shipping certain advertising cuts to the southern office of the Company, the mats having arrived in this office after every one else had gone. To discover that they were intended for the southern office a thorough search through the day's mail was necessary. One Merit, \$5.
- Miss L.—Who performed a service for Mr. G. H. B. in obtaining tickets for the Twentieth Century in so pleasing a way as to provoke Mr. B.'s especial commendation to Mr. K. in Chicago. One Merit, \$5.

R. K. G. E. M. W. F. H. W.

Demerits are given for mistakes which entail the loss of money, or cause such inconvenience or delay as to necessitate the sending of a letter of explanation to a customer. They are also based on cases of tardiness. Employees report their own tardiness. If any one is late  $\frac{1}{3}$  of the number of days in the

## Lake Placid Club Grade Card

The purpose of this card is to discover and promote unusual efficiency. Mark each number on scale of 5: 1 eliminate, 2 doubtful, 3 common, 4 better, 5 best.

<b>Health</b>				
1	Energy, endurance, strength.....			
<b>Personality</b>				
2	Ambition, ideals, will			
3	Cheerful, good disposition			
4	Curteus, good manners, quiet.....			
<b>Mental qualifications</b>				
5	Aptitude, intelligence			
6	Accuracy, attention, good memory			
7	Interest, teachable, willing			
8	Neat in work, dress, person			
9	Prompt, punctual			
10	Order, system.....			
<b>Character, Conduct, Ethics</b>				
	11 Use of liquor and tobacco			
MEN	12 Profanity and vulgarity			
	13 Conduct towards women.....			
WOMEN	11 Lunching			
	12 Conduct toward men.....			
13	Late hours out or indoors			
14	Honest, truthful			
15	Loafing, shirking			
16	WASTE, misuse of equipment or food			
17	Acceptance of TIPS			
18	Cooperation, loyalty			
19	Quality of work			
20	Quantity of work.....			
<b>Total per cent</b>				
<b>Traits for special promotion</b>				
X 1	Executiv: graps of details, responsible			
X 2	Initiativ, resourceful			
X 3	Disciplin, control, tact			
X 4	Judgment, sense of proportion			
X 5	Fairness, justis (no favoritism)			
(Multiply by 4 to give per cent)				
<b>Total X per cent</b>				

\$1 is offered for each new suggestion, submitted in writing and finally adopted, which will improve servis or lessen cost. \$10 will be paid for the most suggestions, above 5, submitted by one person and adopted. Cooperation of all employees is cordially invited.

Form 8A.

month a demerit of \$10 is charged against his department. This, of course, effects other employees of the department, and has its obvious moral effect.

### Grading Employees

Mrs. Melvil Dewey has established an unique method of grading the employees at the Lake Placid Club, Lake Placid, N. Y., which is much the same as the system of grading students in the public schools. Each employee is given credit on the basis of four elements—health, personality, mental qualifications and character. Under each there are one or more divisions to each of which a credit of five per cent. is allowed for perfect. Altogether there are twenty items. Full credit for each would entitle an employee to a one hundred per cent. grading.

In addition to the four general classifications another division for special traits is provided. An employee may by meriting full credit in this division obtain a special twenty per cent. in addition to his general credit.

The marking is based upon general observation and entered on a special form (form 8A). The record is employed as a basis for promotion and discharge.

### Promotions

The concerns using bonus and piece work systems in the office are very few. Most office managers are content to recognize good services by promotion and increase in salaries. There is no serious objection to this policy, provided the plan of promotion is such that merit is promptly recognized. Many large concerns, like the Metropolitan Insurance Company and the Hill Publishing Company, have divided their office employees into groups establishing a minimum and a maximum salary for each group. Employees may thus study the route over which they will travel to the higher positions. They know that each has the opportunity to become head of his department, and, after that, to advance from the department into another. For general office rewards, in cases where employees perform various kinds of work, much of which is dependent upon mental effort,

such a plan is probably better than a bonus system. The plan of raising salaries throughout the office once or twice a year, at, say, the fiscal closings, is not to be commended. It places promotions on a routine basis, minimizing their importance to the individuals. A promotion or an increase in salary which comes at an unexpected moment is apt to be regarded as a special mark of recognition. In any event, the recipient is more grateful than he would be if he were only one of many who had received promotion. The wholesale salary increase often causes dissatisfaction in individual cases where an increase is not warranted and not given. The employees thus affected feel that discrimination has been practiced against them.

### Salaries

At this point it might be well to protest against the too frequent practice on the part of office managers to employ people at the lowest possible salaries. You can no more expect \$10 services from a \$6 girl than you can expect \$100 services from a \$45 typewriter. Standard salaries could not be established for the entire country; much depends upon the local environment and scale of living. Many concerns, however, have established a minimum salary of \$7 a week for girls and \$6 a week for office boys. These employees are, of course, beginners and perform the lowest grade of office work. In large cities the salary for a capable stenographer or dictating machine operator ranges from \$12 to \$15 a week; a private secretary gets from \$18 to \$30 a week. For purely clerical work, such as making entries on cards, from \$8 to \$12 a week is considered average salary.

## CHAPTER IX

### METHODS OF AROUSING ENTHUSIASM

#### Imitation

Man likes to imitate the acts performed by others, or which he thinks are admired by others. This is a fundamental psychological principle and is being used with good effect, not only by advertisers and salesmen, but by executives in directing the people in their charge.

Walter Dill Scott in his book, "Increasing Human Efficiency in Business" points out that the acts of those who are admired and the acts of hearty jovial individuals are particularly contagious. This is a point to be remembered in establishing any scheme tending to stimulate more and better work through imitation.

A young man trying to pay his way through college or through a school of higher business education often becomes discouraged because he sees others with position and wealth permitting them to devote their spare hours to the pursuit of pleasures. On the other hand, the same young man knowing that "Bill Smith did the same thing I'm doing now and look at the job he has" will draw in his belt and win out. The good advertising man or salesman does not fail to give examples of other influential buyers of his article. The office manager should also utilize every opportunity to impress upon laggards the fact that "Jones or Smith or Miss Brown used to work just about the way you are working. Thought they were doing their



best. Now they are handling twice as much work and, of course, are paid accordingly." The point is to arouse a spirit of "if he can do it, so can I."

The office manager may employ several methods to keep such a spirit alive: (1) The company house organ, (2) bulletin board announcements, (3) contests, (4) his daily contact with subordinates.

### House Organs

The house organ has become an established business institution. There are two general types—the kind that is sent to the trade and the kind that is distributed among employees. The first type announces new models, points out to customers or prospective customers other satisfied people who are buying the products sold by the concern distributing the house organ. The second type shows salesmen that other salesmen are getting big results; it shows employees in the factory and in the office that other employees are performing excellent work of one kind or another. In house organs which are published for the benefit of employees, sufficient attention should be paid toward increasing the efficiency of the office force by frequent reference to the good work of office employees. The primary purpose of the house organ is usually to stimulate sales. Its purpose really should be broader—it should stimulate efficiency throughout the entire organization. In the last analysis this will amount of increased sales. The salesman in the field recognizing that he has an efficient organization behind him unconsciously puts just so much more steam into his sales arguments. It certainly would not be a waste of space to devote a page or two in the company's house organ to snappy "write ups" of efficient work on the part of office employees. The stimulus to the other employees in the office will bring results that will more than warrant the slight additional cost.

Many concerns do not issue house organs. Bulletin boards in the office are also effective. An announcement of an espe-

cially good record made by an employee who is well liked by the rest of the force will do more toward stimulating increased effort in the office than any amount of direct advice, criticism or suggestions.

### Contests.

The love of contest is strong in men or women—especially if the results of a contest are published. In offices where reports such as those heretofore discussed are employed, and where the manager has accurate figures as to the amount of work turned out, some means of acquainting the office force with the progress of each member should be established.

On page 166 is a reproduction of a blackboard used in the Burroughs Adding Machine Company. The production of each typist is recorded by a chalk column similar to the mercury column in a thermometer. In the department where this blackboard is used, a quota based upon a given number of points at a given amount of salary is established. If a girl reaches 80 per cent. of her quota for four consecutive weeks she automatically receives an increase of \$1 a week in salary and a larger quota is assigned to her. She must make 60 per cent. of her quota in any event. Any increase over the amount entitles her to an additional percentage of her salary as bonus. If for four consecutive weeks a clerk who has earned an increase in salary and a new quota fails to reach 60 per cent. of the new quota she automatically goes back to the old salary and quota.

It will be seen that the "thermometer" records the percentage each girl has made in her quota. That is to say, the mercury at the end of the first day of the week will be low, climbing each day as the number of lines produced accumulates. This enables the typists to watch their own progress without studying any tabulated statistics. An ideal line at 100 per cent. is drawn, and the object is to reach that line. The various heights of the mercury create a healthy competition similar to that produced by a foot race.

It is interesting to note the difference in the quotas, by the way. The lowest is 170 and the highest 230. The comparison on the blackboard is not as to the number of points each one has produced, but as to the percentage of quota. This makes the race similar to that of a handicap and keeps it more interesting.

Notice that a small button is attached to each column. These buttons are printed with numbers indicating the order in the department's rating. The buttons are white with the exception of one, which is a "Blue Ribbon" and is given to the girl with the highest standing in the department.

The lower part of the board is devoted to records of percentages during the preceding months in the year.

This blackboard was established in March, and at the time of this writing (July) some of the operators have increased their incomes by more than 50 per cent. This is a concrete example of what can be done through a contest. Unfortunately, however, the plan cannot be applied uniformly throughout an entire office.

### Contest Based on All-Round Efficiency

It is not always possible to base an office contest directly upon the work produced. The general accounting department in the Sherwin Williams Paint Company in Ohio (one of the most efficiently managed office departments in the country) has applied the contest idea to work which may be said to vary as much as any office work in existence. This contest is known as the "Top Notcher Competition." It is based upon attendance, expense and efficiency. A definite number of points is assigned to each element. The following is a memorandum issued by the head of the department setting forth the details of the plan.

In order to further improve our Discipline and Efficiency, we have inaugurated a Top-Notcher Competition, but with rewards possible for from four to seven people.

For this purpose the departments are organized as follows:

*General Bookkeeping—*

G. A. Babcock,  
General Bookkeeper.  
W. A. Gorrell  
E. C. Wilson  
W. L. Johnson  
Miss Packert

*Factory Bookkeeping—*

J. O. Kaser, Chief Clerk  
J. I. Watkins  
A. E. Perkes  
H. F. Isham  
L. G. Hadde

*Linseed Oil Bookkeeping—*

W. Komaneo, Chief Clerk  
R. Standen  
Miss Grimes

*Sales Cost—*

F. E. Gallup, Chief Clerk  
B. N. Buem  
E. Nosfelder  
Miss Schmitz  
C. C. Bellet

*Voucher—*

W. M. Morfoot, Chief Clerk  
C. F. Brinker  
H. H. Sippel  
A. H. Dittebrand  
Miss Hochwalt

*P. & S. Cost—*

W. R. Hartman, Chief Clerk  
L. F. Goldenbogen  
H. B. Gehrke  
H. R. Horsburg  
Mr. Kraus

To the department obtaining the highest rating from January 1 to August 31 will be given a prize of \$15 to the chief clerk and \$10 to each of the other clerks. The basis of rating will be as follows:

1. Discipline, Comprising—

- (a) Punctuality, 50 points. Figured on the percentage on time to total attendance, except tardiness of a chief clerk counts double that of one of his clerks percentage of points.
- (b) Attendance, 25 points. Figured on percentage of perfect days actual to possible attendance; percentage of standing equals percentage of points.
- (c) Time off, 25 points. Figured on percentage of perfect days to actual attendance; any time allowed off to an employee making an imperfect day. Percentage equals percentage of points.

2. Expense, comprising—

- (a) Suppers, 25 points. Figured on the expense per man. Standing first, 25 points, with variation of 3 points.
- (b) Total expense, 50 points. Figured on percentage of decrease from last year. Standing first, 50 points, with variation of 5 points.

3. Efficiency, comprising—

- (a) Work, 75 points; covering promptness and improvement in getting out reports, etc.

- (b) Inspection, 50 points. Based on neatness of permanent records, cleanliness and order in the desks, files, lockers, cupboards, etc. Perfect record is 50 points, and inspectors will deduct points for all imperfections. Average of all inspection ratings will give standing.

The above leaves unattached the "general" people as follows:

Miss Rothermel  
A. M. Simonsen  
H. E. Claus  
Frank Nicholson

Herbert Albers

To enable these people to engage in the contest, we offer a prize of \$10 to the individual obtaining the best rating of the whole staff of items 1a, 1b, 1c and 8b (excepting those who draw rewards in the departmental contests).

Very truly yours,

It should be added that the 75 points awarded for perfect work under "8" is divided equally between promptness and accuracy. There is a due date for all work. If, for example, a clerk has been in the habit of being six days behind in submitting his completed work, and if he reduces that delay to three days he may be awarded 37 1/2 points for improvement, but only 27 points for promptness, since he is still behind schedule.

The inspection of the office has already been discussed in Chapter IV. Reports showing improvement are illustrated there.

### Suggestion System

A form of contest which has been found to be productive of ideas of great value is the suggestion system. Like most other good phases of management, it originated in the factory. Nevertheless, it is being applied to the office with excellent results.

Usually a committee composed of one or more officers and one or more representatives of the employees is appointed to select suggestions submitted. In order that there will be no opportunity for partiality, employees are instructed to submit suggestions without signatures. They are provided with autograph registers or with memorandum note books, such as are used by sales clerks in department stores, so that they may

make duplicate copies of their suggestions to be used as evidence of authorship later. When the best suggestions have been selected they are posted on a bulletin board, or are read at meetings of employees. In the former case the authors present duplicate copies of their suggestions, proving their authorship. In the latter they are called upon in open meeting to acknowledge the suggestions.

### Typical Suggestion System

Prizes are, of course, awarded. In one office \$10 is awarded for the best suggestion adopted and \$5 for the next best. At the discretion of the committee \$1 prizes are awarded for "those receiving honorable mention." Below is a memorandum issued by the National Cash Register Company announcing their suggestion contest showing that 328 prizes amounting to \$3,000 are distributed annually. This contest is open to factory and office employees, but not to department heads, as will be observed. This practice, by the way, is generally observed because a department head is not usually paid on the basis of the time he devotes to his work—his remuneration is for the product of his mind.

#### \$3,000 YEARLY IN PRIZES FOR BEST SUGGESTIONS

\$1,500 in cash prizes will be distributed in June and \$1,500 in December among the employees submitting the best suggestions in the preceding six months.

On any subject pertaining to the business, divided as follows:

1 prize of .....	\$100
8 prizes of \$50 each .....	150
10 prizes of \$25 each .....	250
50 prizes of \$10 each .....	500
100 prizes of \$5 each .....	500

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Total 164 prizes.....\$1,500

Suggestions should be sent to Mr. J. M. Switzer, ninth floor, Building 10, through the Autographic Registers, Deadwood Checks, Boxes, Shop Mail, U. S. Mail, Messengers, etc.

Pyramid Heads, Foremen, Department Heads, Job Foremen in Factory, Section Heads in Offices and Sales Agents will not compete for these prizes. Suggestions from all other employees, both here at the

factory and in the Selling Division, will be considered in the prize distribution.

Each suggestion will be acknowledged, given a number and then copied without signature.

The copy without signature will be sent to the head of the pyramid for investigation.

When the investigation is finished report will be made to Mr. Switzer's office, and from there the employee will be notified whether or not the suggestion is to be adopted.

All adopted suggestions will be *considered* in awarding the prizes.

All the suggestions that are adopted from any one employee will be considered together, so that an employee might submit a number of small suggestions and still get a big prize. This means no one employee will get two prizes in one award.

The Pyramid Heads will be the committee to select prize winners.

When the same suggestion comes from two or more employees, the one from whom it was received first will get the credit, so be sure to date and sign each suggestion with your own name and that of your department.

A complaint that leads to an improvement will be considered the same as a suggestion adopted, but as far as possible suggestor should submit a suggestion in connection with his complaint.

The N. C. R. Co.

The suggestion system in the Commonwealth Edison Company comprehends the payment of five prizes, the highest being \$50 and the lowest \$10. In addition \$1 is paid for every suggestion received. Below is a copy of the Company's announcement describing the system in detail:

#### REWARDS FOR SUGGESTIONS

To encourage employees to be more watchful, studious and interested in Company affairs the Commonwealth Edison Company will, for a limited time, pay \$4 for each and every suggestion (with exception as below) that is accepted as complying with the following requirements:

The suggestion, if accepted, must result in:

(1) Reduction of expenditures without lowering the standard of service or affecting the amount of new business to be secured.

(2) Improving the service without unwarrantably increasing expenditures.

(3) Securing more new business without unwarrantable increase of expenditure.

The suggestion must be made in writing, must not be signed, and must be enclosed in a special envelope, sealed and marked with the name of the department or departments affected on the upper left hand corner.

This envelope must then be placed within another envelope, the latter addressed to the Secretary of the Advisory Committee and marked "Suggestions," with the name of the sender and of the department in which he is employed in the upper left hand corner. The Secretary of the Advisory Committee upon receipt will assign a number of the unsigned suggestion, keep a record thereof and the name of the sender, and then refer the unopened suggestion to the executive officer having jurisdiction, who in turn will refer it to the particular head of department for acceptance or rejection.

Each employee shall be advised as to whether his suggestion has been accepted or rejected.

The exception before referred to applies to Heads of Departments, or Sub-Departments, and their assistants, when making suggestions for improvements regarding their own work, as it is considered that such particular suggestions are included in the duties belonging to these positions, also to members of the Advisory Committee.

Additional prizes for acceptable suggestions from employees will be awarded every six months on the following basis:

For the four suggestions accepted each six months' period which are of the greatest value to the Company—

First prize.....	\$50
Second prize.....	40
Third prize.....	30
Fourth prize.....	20

For the greatest number of suggestions accepted from any one employee during each six months period:

A single prize of.....	\$10
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### Examples of Suggestions Received

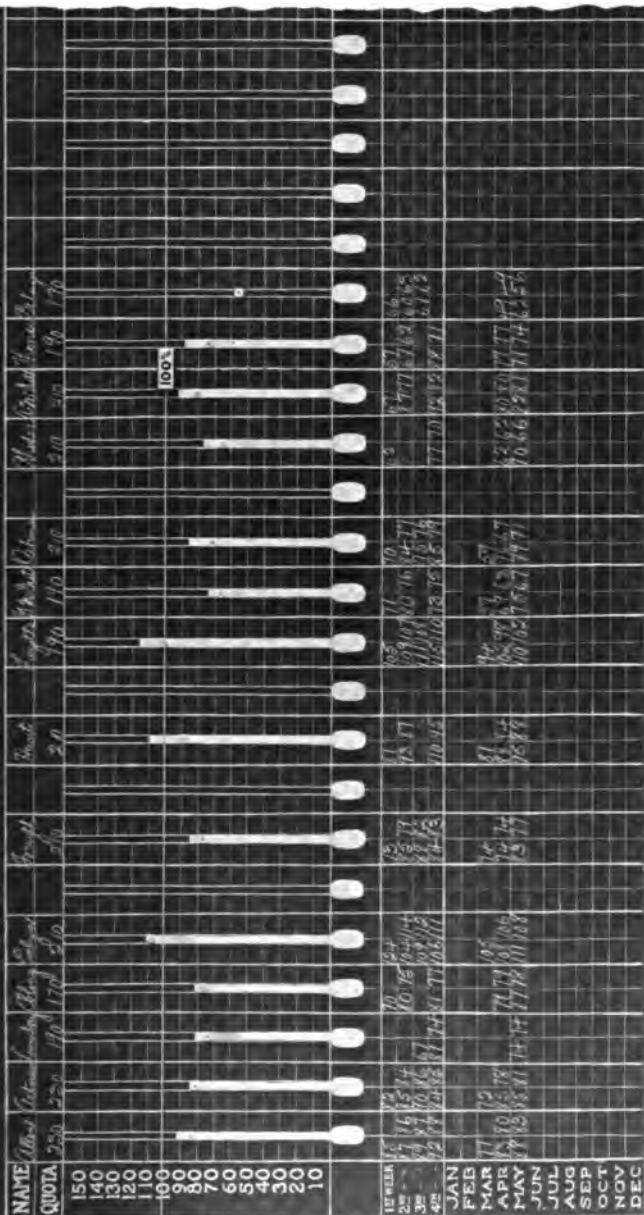
These suggestion contests when properly managed arouse considerable enthusiasm and call forth an immense amount of latent ability. There are many instances of excellent ideas suggested by minor employees. In one case an office boy discovered that a large amount of mail was being sent out under 3-cent postage which through a slight change in the printing matter would be eligible under the 2-cent rate. In another case a stenographer suggested opening the South American field; her brother was employed in South America and had called her attention to the opportunity for her company's product in that part of the world. In another case a boy, whose duty it was to operate an addressing machine, pointed out the advantage of operating three or four hand driven machines by motor, thus



eliminating the services of two other boys. Another instance is reported of a suggestion submitted by a young man who had just been promoted from office boy to sorter of newspapers in an advertising agency. His duties called for the assorting of a large number of newspapers, which were placed in stacks and passed to the checker. Considerable confusion had always attended this particular work and the papers were returned to the folders and finally to the files in an unsatisfactory condition. At home this chap made a wooden box in which the largest newspaper folded twice could be easily placed and removed. The box into which the newspapers are assorted is passed to the checkers, all the newspapers being nicely arranged and ready for checking. The checkers simply take each newspaper from the top, check it against the advertising record and place it in another box in reverse order. They are then ready to go into the files and need only be transferred to their proper places, having already been assorted.

The author witnessed the disappointment of three employees of the National Cash Register Company who failed to receive notices to appear at an appointed time to have their photographs taken for a picture of suggestion contest winners. It was not only the money value of the prizes which appealed to them, but they wanted their friends to know that they were winners.

# BURROUGHS TYPISTS' EFFICIENCY BLACKBOARD



Efficiency Blackboard—Burroughs Adding Machine Company.



## **CHAPTER X**

### **RELATION BETWEEN MANAGEMENT AND EACH EMPLOYEE**

#### **How to Get Personal Supervision**

- According to Frank Gilbreth, one of the well-known exponents of the efficiency movement:

"In the last analysis the most vital feature of any work is the maintenance of right relations between the employee and employer. A neglect of the human element, no matter how the economic one thinks otherwise, will make of the result no more than a half success."

In a large office of from 200 to 1,000 employees there is always a danger that the employees will feel themselves so far removed from the actual management of the business that they begin to consider themselves as cogs in a machine. While it is an excellent idea that every employee should consider himself an integral part of the organization in order that harmony and a correlation of activities may be induced, nevertheless there is the danger that such an attitude will develop into the feeling that the management has no more regard for him than for a machine.

Every office employee should be made to feel that the management knows what he is doing, is pleased with and will recognize his good work and will remember his shortcomings. Such a feeling can be established in a large office as well as in a small office if regular reports are issued to the head of the office as described in the previous chapter. Where no such report system exists, the management must rely upon the section heads

and sub-heads to report cases meriting praise or rebuke. This method, however, is unsatisfactory. It places this important part of management in the hands of too many people with too many varieties of opinion as to what is good and what is poor work. It leaves open, also, opportunity for prejudices resulting in a condition similar to that which existed in the factory under the system permitting the foreman to hire and discharge workmen. The employees are not confident that full credit is given to them when their work is discussed at headquarters.

### Putting Reports to Work

If, on the other hand, the office manager has before him a comparative report showing what each employee does in comparison with his colleagues and in comparison with his past efforts, there is no room for "failing to mention." The figures speak for themselves—especially when taken in conjunction with records of attendance, suggestions and a routine system of keeping employees' records (See Records of Employees in Chapter XIX).

With a report system, the office manager can offer personal criticism and suggestions direct to the individual employer. The office manager in a large eastern concern makes it a practice each week, after having analyzed the reports, to dictate memoranda to various departments commenting favorably or unfavorably, upon their work, as circumstances warrant.

### Typical Examples

Here are a few copies of memoranda he has issued from time to time. The first two refer to the work of a duplicating machine operator and his assistant. Observe the improvement in the work that took place within six weeks after the machine was installed on January 24. The third memorandum was directed to the head of the typing department.

These memoranda are initialed by each member of the department. The effect on those whose work is not mentioned or is mentioned without approval may readily be imagined.

## RELATION—MANAGEMENT AND EMPLOYEE 169

### MEMORANDUM FOR MR. BROWN.

January 24.

I am sending you this memorandum for your information, so that you may compare it with results in the future.

According to your report last week your time (including George's) was distributed as follows:

Composing 598 lines.....	Actual time	25 hours, 40 minutes
Distributing 580 lines.....	Actual time	24 hours, 50 minutes
Alterations .....		24 hours, 35 minutes
Running off.....		8 hours, 10 minutes
Miscellaneous—lost .....		11 hours, 15 minutes

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Total time.....		80 hours, 30 minutes
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.....  
Office Manager.

March 7th.

### MEMORANDUM FOR MR. BROWN:

Your record for the week ending March 2nd shows considerable improvement.

Composed 788 lines.....	Actual time	30 hours, 5 minutes
Distributed 845 lines.....	Actual time	33 hours, 35 minutes
Alterations, 1 line.....		10 hours, 30 minutes
Running off.....		8 hours, 25 minutes
Miscellaneous .....		9 hours, 10 minutes

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Total .....		86 hours, 43 minutes
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The cost per page (19½ pages) was 87 cents. This is a gain of 25 cents over last week; that is, 14 cents more than the best previous record you have made.

You are, it seems to me, still spending too much time on alterations and miscellaneous work. Together, these two items amounted to 19 hours and 40 minutes last week. That's more than two day's solid work. When you have pulled these figures down to a reasonable basis your weekly record will certainly show up much better.

Your individual records were as follows:

G. W. B.—504 lines—17 hours 15 minutes; 1 hour 23 minutes per page; increased 6 minutes a page.

S. S.—279 lines—12 hours 50 minutes; 1 hour 50 minutes per page; increased 27 minutes a page (almost half an hour).

### DISTRIBUTING

G. W. B.—339 lines—18 hours 25 minutes; 1 hour 36 minutes per page; increased 21 minutes per page.

S. S.—506 lines—19 hours 58 minutes; 1 hour 35 minutes per page; dropped 2 minutes per page.

There was, as you see, an actual increase in the time it took you both to compose and distribute.

The saving made in your department was due to the fact that you spent less time on alterations and miscellaneous than you did the previous week.

On the whole, however, you are to be commended.

Now then, your aim is to pull down this time spent on alterations and miscellaneous and to look after the other matter about which I spoke to you yesterday. I also notice that samples of the work done are not coming in as they should.

.....  
Office Manager.

#### MEMORANDUM FOR MISS FULLER:

Your report for the week ending October 5th, I am glad to see, shows still further improvement in the dictaphone records. I am particularly pleased with Miss Johnson's improvement. She has jumped up a full thousand lines. Miss Roumaine is also going steadily forward. The same is true of Miss Carter.

I hope the good work will continue.

.....  
Office Manager.

Occasionally this office manager examines the daily record in the hands of the sub-department heads and comments upon them verbally.

#### How to Criticise

Rebukes are generally administered in memorandum form—they carry more weight than the verbal criticism, especially if written in the right vein. The employee at fault will refer to it more than once. The circumstances are impressed upon his mind. For instance, here is a memorandum calling attention to a case of carelessness, written by the office manager direct to the employees concerned. There has since been no similar lapse. The last sentence in the first paragraph made an especially strong impression.

#### MEMORANDUM FOR MR. MARTIN AND MR. JONES:

My attention has just been called to the case of Mr. A. B. Brown, care Security Trust & Savings Bank, Atlanta, Ga. The handling of Mr. Brown's case is an unfortunate indication that at times some of us fail to remember that the company's business and reputation are based upon the kind of service we give customers. It also shows, I am sorry to say, that there is room for more careful thought and painstaking attention when

## RELATION—MANAGEMENT AND EMPLOYEE 171

matters requiring judgment and initiative are placed in the care of various members of the organization responsible for the prompt and accurate performance of certain duties.

In Mr. Brown's case the package was shipped on February 18th and later we were notified by the express company that it was on hand in the local office because Mr. Brown's address is outside of the delivery limits. On March 1st Mr. Jones notified the express company to deliver through local express and charge us. On March 11th we received word from the customer that the package had not arrived and a tracer was ordered. Mr. Martin acknowledged the letter, which referred to change of address, but in doing so failed to refer to the delay in the shipment. This was the first instance of neglect.

On March 19th the customer again wrote us that the package had not arrived. The matter was referred first to Miss Nolton, and then to Mr. Jones, whose notation "traced March 26th" appears on the face of the letter. Apparently the letter was filed without being answered. This was the second instance of neglect and thoughtlessness.

On or about April 10th we received a notice from the express company informing us that Mr. Brown's shipment was being held at Hollywood, Va. On April 10th Mr. Jones wrote to the express company that this was the first notice we had received concerning the shipment, that another shipment had been sent and that the first shipment was to be returned without charges. There is nothing in the correspondence to indicate that a second shipment had been sent. Moreover, this was not the first notice we had received, and instead of ordering the shipment returned, Mr. Jones should have caused prompt delivery to be made.

Five days later Mr. Jones again wrote to the express company asking that shipment addressed "Hollywood" be delivered to Mr. Brown at the bank in Atlanta. The second letter obviously contradicts the first (April 10th).

It has long been a rule of the company that matters of this kind should be handled only when the person handling them is in possession of all the facts. That means that a customer's correspondence folder is to be gone over in each case.

I notice, too, in looking over the correspondence that the express company's notices are absent. It seems to be the practice to return these notices to the company. This is wrong and should be stopped immediately. When a post card or other notice is received from an express company the identifying data should be referred to in our letter to the company and the notices themselves placed in our files. They belong to us.

We all make errors from time to time. It is quite human to overlook a point now and then. But this case is so evidently an instance of mishandling that the persons responsible deserve criticism. The customer now desires to cancel his order and it is doubtful whether the telegram and special letter I have written to him will serve to prevent this step.

The 130 employees in this particular office are firmly con-



vinced that the office manager knows how much and what kind of work they are doing. There is no "bluffing." The facts and the figures are in the manager's hands. Naturally, the tendency is to make as good a showing as possible. In isolated cases where there is no such tendency, the organization is soon relieved of the unwilling spirit.

It is well, however, not to go too far in the direction of unfavorable criticisms. Even if an employee is putting forth his best efforts he will occasionally make mistakes and probably his own consciousness of the errors will be sufficient to make him more careful. It should also be remembered that constructive criticism is much more efficacious than destructive criticism. Instead of telling an employee how badly he has done a thing show him how much better it could be done.

#### Don't Give Instructions Verbally

One of the most frequent sources of annoyance in offices is the failure to carry out instructions given by a department head to those in his employ. "I don't believe you told me to do that," "I don't remember your having said 500; I think it was 1,000," "I forgot"—these and other maddening answers to in-

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### OFFICE MEMO.

"Avoid Verbal Orders"

#### AMERICAN AUTO TRIMMING CO.

**Copies to:—**

**Date, 9-12-12**

Mr. Donaldson

On all bodies transferred from the Mack Ave. plant or any other of our plants to you, in the future it will be necessary for us to have a Receiving Slip made out and sent to the main office by your receiving clerk.

Also on all bodies transferred from your plant to any other of our plants it will be very important that a shipping bill is made out by your shipping clerk.

This is absolutely necessary as we must have a knowledge of the total number of bodies in each plant at all times in order to protect ourselves against loss of insurance in case of fire or otherwise.

Yours very truly,

Form 9

M. M. PLUMB.

quiries as to why instructions have not been carried out are as common as "mosquitoes in New Jersey." The fault lies not so much with the employee as it does with the management. An executive should never give an important order verbally. The most efficiently organized offices in the country recognize this principle. Form 9 is a sample office memorandum. The Burroughs Adding Machine Company has printed in large letters the word "THINK" on its office stationery which is used for the transmission of messages from one employee or department to another.

It is not always necessary to write separate memoranda to convey messages from one person in the office to another. In many cases the simple method of noting directly on a letter which must be referred to someone else the initials and whatever comment is necessary is more practicable. If the letter is to go through several hands the initials are written one under the other in the proper order. The first man to receive the letter scribbles his comments on its face, crosses out his initials and throws the letter back in his outgoing basket. The office boy on his next round carries it to the next person interested, and so on. It would not be efficient to hamper this simple process by adding a lot of forms and red tape. In a small office a letter may pass through three or four hands and come back to the person who is to answer it within a half hour or so.

#### **The Late Habit**

One of the most pernicious and persistent acts of inefficiency is that of starting work in the morning without snap and promptness; this is due to the fact that it seems impossible to induce office employees to get to work on time—notwithstanding the fact that their hours are usually shorter than those of clerks in the factory. Promptness in the discharge of office work should begin the first thing in the morning, otherwise the work will be given a ragged start, which has its influence throughout the whole day. Not only that, unless the tendency is checked the influence on those employees disposed to be regular is anything but good.

It is for this reason that many large concerns have established time clocks in the office. Their installation is usually met with disapproval on the part of the force because office employees feel that some distinction should be made between them and factory employees. A sort of "better than thou" feeling seems to exist. There is no real justification for this; in many factories there are engineers and other highly trained employees who are compelled to punch time clocks. Some concerns have established a doorkeeper, who notes the number of minutes each employee is late. This method not only involves the cost of the doorkeeper's time (unless some one is regularly assigned to that duty to meet visitors) but the record is much less accurate than that of time clocks, and is open to possible favoritism.

It is doubtful whether any system of fines, except in connection with a bonus system is very effective. More success seems to have been achieved through the encouragement of department pride—that is to say, by balancing the attendance record of one department against that of another and posting the names of those who are keeping the record down.

On pages 177 and 178 are photographs of an attendance record showing only two tardy cases in the general accounting division during two successive weeks. The author has examined a series of these reports and the two exhibited are by no means extraordinary. Observe that many of the employees reach the office from fifteen minutes to half an hour before the appointed starting time. This, however, is discouraged. The idea is to have employees come to work on time and go home on time. This splendid record is maintained principally because employees have sufficient pride in their department to keep it at top notch. The "top notcher" competition already referred to is, of course, to some extent responsible.

### Overtime

In any office where there is much overtime work the fault may be located in one of three places. First, there may not be enough employees to do the work; second, the work may not be

properly distributed, there being heavy and dull periods which are not balanced; third, each employee may not be efficiently performing his duties. In most cases, either the second or the third condition will be found to exist.

It is wrong to force employees to do too much overtime work. It robs them of the proper amount of recreation and dulls their minds for the next day's work. Moreover, it is frequently the cause of dissatisfaction and leads to poor *esprit de corps*. If the condition is found to exist in some departments and not in others it will lead to friction. Steps should be taken either to equalize the work by having clerks in other departments assist during periods of heavy work or by sufficiently increasing the force. Much periodical overtime work can be prevented by having some of the preliminary work done during periods of light work. Such work, for example, as finding monthly balances can easily be distributed over the month.

Occasionally there is unavoidable congestion in some part of an office. If the situation is not serious it is best to let the employees directly interested untangle the maize themselves. Frequently, however, it is wiser to engage a large force at the congested point, thus relieving the tension at the expense of a very little overtime on the part of each clerk. There is the added advantage that the routine is in this way quickly brought up to date.

### Standardization

In most offices various employees use different methods to arrive at the same result. For example, in attaching papers to each other, some clerks use pins, some clips, some paste them. The fundamental principle of efficiency is to eliminate every unnecessary motion. The office manager and his assistants should make a special study of the operations in an office which can be standardized, so that every one will be handling them in the quickest and most effective manner. By describing these operations in the office manual and through periodical inspections, adherence to these standard instructions can be insured. There

# WEEKLY ATTENDANCE REPORT

Week Ending February 22nd, 1913

General Accounting Division

NAMES	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	TOTAL MIN. LATE EARLY
A. W. Baeder	Detroit	Chicago	Kansas City	—	—	Washington's	
G. H. Griffiths	7:50	7:55	7:58	7:55	7:53	Birthday	29
F. E. Gallup	7:58	7:59	7:58	7:53	7:48		24
E. R. Krauss	7:42	7:49	7:50	7:46	7:48		65
R. E. Charles	7:45	7:45	7:46	7:48	7:45		71
A. H. Zirke	7:45	7:50	7:47	7:51	7:52		55
R. G. Hanna	7:53	7:52	7:55	7:53	7:50		37
E. R. Porter	7:00	7:10	7:10	7:05	7:25		100
E. Kuhn	7:15	7:13	7:15	7:15	7:20		72
W. A. Gorrell	7:51	7:34	7:38	7:41	7:55		77
M. A. Langa	7:50	7:45	7:47	7:51	7:53		56
H. E. Isham	7:45	7:30	7:30	7:40	7:44		111
L. F. Goldenbogen	7:53	7:55	7:46	7:45	7:55		47
W. L. Johnson	7:43	7:43	7:44	7:39	7:45		86
B. N. Beum	7:41	7:40	7:50	7:50	7:53		66
Miss Schmitz	7:51	7:50	7:46	7:52	7:50		51
H. E. Strobel	7:54	7:30	7:54	7:55	7:53		54
C. C. Bellet	7:45	7:30	7:43	7:50	7:50		82
W. F. Isham	7:45	7:50	7:50	7:53	7:48		57
J. O. Kaser	7:56	7:55	7:51	7:52	7:55		31
J. I. Watkins	7:53	7:49	7:51	7:54	7:55		38
A. E. Perkes	7:53	7:55	7:58	7:55	7:55		24
H. E. Claus	7:53	7:53	7:54	7:45	7:55		40
D. R. Slocum	7:50	7:53	7:46	7:54	7:53		44
F. Wischmeyer	7:59	7:55	7:50	7:50	7:48		38
W. Komanec	7:51	7:47	7:53	7:52	7:46		51
C. C. Hielm	7:53	7:55	7:58	7:54	7:53		27
W. M. Morfoot	7:53	7:57	7:51	7:56	7:53		30
C. F. Brinker	7:53	7:49	7:54	7:51	7:55		38
F. W. Hudec	7:53	7:44	7:56	7:37	7:45		44
A. H. Dittebrand	7:50	7:52	7:46	7:40	7:47		65
E. H. Lindeman	7:54	7:58	7:52	7:57	7:55		24
W. R. Hartman	7:49	7:51	7:52	7:53	7:47		48
W. B. Gehrke	7:54	7:51	7:51	7:47	7:52		45
H. R. Horsburgh	7:54	7:52	7:58	7:42	7:39		53
F. A. Nicholson	7:54	7:52	7:58	7:53	7:55		30
H. R. Whittle	7:53	7:44	7:37	7:43	7:42		86
Miss Rothermel	7:57	7:56	7:51	7:57	7:55		24
Miss Hochwalt	7:53	7:49	7:48	7:54	7:55		41
Miss Class	7:49	7:52	7:50	7:46	7:45		58
Miss Hyland	7:57	7:57	7:51	7:54	7:58		23
Miss Rosenbery	7:54	7:57	7:51	7:51	7:49		38
Miss McEldowney	7:57	7:59	7:51	7:46	7:50		37

Fig. 10.

# WEEKLY ATTENDANCE REPORT

Week Ending March, 1st 1913 General Accounting Division

NAMES	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	TOTAL MIN. LATE   EARLY
A. W. Baeder	Kansas City	Omaha	Omaha	Omaha	Chicago	Chicago	
G. H. Griffiths	7:50	7:54	7:53	7:55	7:48	7:54	46
F. E. Gallup	7:45	7:45	7:48	7:55	7:54	7:54	59
E. R. Krauss	7:48	7:44	7:45	7:52	7:30	7:51	90
R. E. Charles	7:36	7:34	7:45	7:44	7:47	7:40	114
A. H. Zirke	7:46	7:51	7:55	7:53	7:45	7:54	56
R. G. Hanna	7:31	7:55	7:50	7:46	7:46	7:49	83
E. R. Porter	7:97	7:05	7:10	7:15	7:17	7:05	121
E. Kuhn	7:15	7:10	7:10	7:20	7:00	7:10	115
W. A. Gorrell	7:33	7:30	7:35	7:35	7:37	7:33	156
M. A. Langma	7:49	7:54	7:48	7:51	8:02	7:50	2 48
H. E. Isham	7:30	7:30	7:35	7:32	7:42	7:34	157
L. F. Goldenbogen	7:50	7:44	7:52	7:49	7:54	7:50	61
W. L. Johnson	7:34	7:42	7:42	7:44	7:45	7:38	115
B. N. Beum	7:54	7:43	7:50	7:30	7:48	7:30	105
Miss Schmitz	7:43	7:50	7:46	7:30	7:47	7:30	109
H. E. Strobel	7:59	7:57	8:00	7:30	7:56	7:30	68
C. C. Bellet	7:46	7:46	7:43	7:46	7:47	7:45	87
W. F. Isham	7:49	7:46	7:46	7:30	7:47	7:30	112
J. O. Kaser	7:54	7:52	7:59	7:56	7:56	7:56	27
J. I. Watkins	7:54	7:52	7:56	7:55	7:56	7:57	30
A. E. Perkes	7:50	7:57	8:00	7:55	7:53	7:56	29
H. E. Claus	7:54	7:49	7:55	7:44	7:32	7:56	70
D. R. Slocum	7:48	7:48	7:53	7:46	7:47	7:57	61
F. Wischmeyer	—	—	— Absent	—	—	—	
W. Komanec	7:45	7:45	7:37	7:45	7:40	7:47	101
C. C. Hiem	7:50	7:54	7:53	7:55	7:54	7:57	37
W. M. Morfoot	7:58	7:54	7:57	7:59	8:05	7:35	5 36
C. F. Brinker	7:54	7:55	7:56	7:52	7:52	7:57	34
W. F. Hudac	7:46	7:30	7:37	7:44	7:35	7:49	104
A. H. Dittebrand	7:38	7:34	7:35	7:49	7:45	7:30	129
E. H. Lindeman	7:54	7:54	7:56	7:52	7:56	7:56	32
W. R. Hartman	7:49	7:49	7:52	7:54	7:50	7:50	64
W. B. Gehrke	7:46	7:48	7:50	7:59	7:47	7:49	61
H. R. Honsburgh	7:39	7:30	7:50	7:51	7:44	7:38	108
F. A. Nicholson	7:54	7:51	7:55	7:57	7:54	7:53	36
H. R. Whittle	7:40	7:35	7:46	7:44	7:43	7:39	113
Miss Rothermel	7:55	7:54	7:57	7:58	7:57	7:57	21
Miss Class	7:48	7:46	7:51	7:55	7:54	7:50	56
Miss Rosenbery	7:49	7:54	7:55	7:55	7:51	7:53	43
Miss McElDowney	7:53	7:48	7:48	7:58	7:51	7:53	49
Miss Hochwalt	7:50	7:52	7:44	7:52	7:54	7:50	58
Miss Hyland	7:49	7:52	7:55	7:56	7:53	7:54	41

Fig. 11.

is no good reason why, if it is right to standardize practice in a shop, it should not be right to standardize practice in the office.

### Schedules of Routine

As soon as you find an office employee jumping from one thing to another and back again you may make up your mind that employee is wasting about half of his energy. His mind is harassed by a multiplicity of details without order. He does not know in the morning what his routine will be during the day.

The manager of a large office in Ohio has done away with that sort of thing. Every employee under his supervision has a schedule which is strictly adhered to. The manager himself has a schedule which fits in with those of his employees. For example, every morning between 9 and 10 o'clock he has conferences with each of his department heads. All matters which are to receive his attention are held by the department heads until the time for conference. All matters which he wishes to refer to his department heads or discuss verbally are held on his desk until the proper time. Each employee has a schedule to cover the entire day, there being ample room for unforeseen interruptions, of which there are very few.

The office manager discussing this plan admitted that at first it was very difficult to adhere to the schedule. "But," said he, "what does a railroad do when its trains get off schedule? They bend every effort to get back on the schedule. That is exactly what we do." And it was true. He took the schedules of his employees, copies of which were in his possession and pointed out to the author what each man should be doing at that hour of the day. Upon interviewing each one individually it was discovered that only one man was off schedule and he only twenty minutes. Each was doing different work from that of his neighbor. Most of the work was that of preparing statistical reports of various lengths and of various kinds—cost, sales, accounting and the like—thus answering the skeptic who claims that office work is too varied to be placed on schedule.

This manager at 10:30 o'clock in the morning has disposed

of all his routine mail and all his routine conferences and every vestige of routine work so that he is able during the remainder of the day to devote his time to constructive work, interviews with callers and to the special matters requiring executive attention. Here are the schedules of two of the employees:

## DAILY SCHEDULE

A. E. Perkes

8:00 to 9:00	Take care of all correspondence and miscellaneous matters. Balance of period, audit vouchers.
9:00 to 9:30	Ozark Smelting & Mining Company accounts.
9:30 to 9:45	Prepare information to be taken up with H. J. D.
9:45 to 10:00	Spend with J. O. K. re factory matters, etc.
10:00 to 10:10	With H. J. D.
10:10 to 12:30	Regular work, varying from day to day. This is taken care of by an additional weekly schedule. (See below.)
1:30 to 3:30	Same as above.
3:30 to 4:30	Analyses of Sundry Mdse. Accounts.
4:30 to 5:00	With J. O. K.

NOTE:—On Monday morning of each week all uncompleted work and new "jobs" are lined up and the time necessary to complete each is estimated. A schedule is then made up to cover these items in the order of their importance. This covers the two periods 10.10 to 12.30 A. M. and 1.30 to 3.30 P. M.

## DAILY SCHEDULE

J. O. Kaser

8:00 to 9:00	Look up all tickler letters and information preparatory to dictation.
9:00 to 9:15	Dictation.
9:15 to 9:45	Take up department matters with J. I. W.
9:45 to 10:00	Take up department matters with A. E. P.
10:00	Meeting with H. J. D.
Balance of time to 11:30	Look after the general condition of the Factory Book-keeping Department, also the filing room and vault when necessary.
11:30 to 12:30	Lunch.
12:30 to 4:00	Checking and analyzing factory reports, balance sheets, etc. Work on special matters varying from day to day. A schedule of the special work to be done will be made up each Monday morning for the ensuing week.
4:00 to 4:30	Take up department matters with J. I. W.
4:30 to 5:00	Prepare mail and take up department matters with A. E. P.



### Educating the Employee

The average office employee entering business has had one or two years of high school training. An office manager who desires to build and maintain an intelligent, result-getting office force must necessarily train his employees, or at least influence them to train themselves. Many concerns do this by suggesting to their employees that they enter some night school devoted to business education. But the more progressive institutions go farther than this.

### Libraries

They establish, first of all, libraries for the use of their employees and make it as easy as possible to use the books. Below is a notice issued by the Commonwealth Edison Company inviting their employees to use their library containing about 2,600 volumes.

#### COMPANY LIBRARY

For the benefit of those who may have occasion to look up information pertaining to the Company's business and for those who desire to keep themselves informed as to the current events which ~~they~~ have a bearing on the Company's business, the Company maintains a library, the headquarters of which are at the rear on the fifth floor of the Edison Building and branches of which are maintained at Market Street and Fisk Street Station. The library at the present time contains about 2,600 volumes and over 100 periodicals, including both domestic and foreign publications, are kept on file. All employees of the Company are not only at liberty to use the library, but are urged to inform themselves as to the kinds of books and periodicals which are kept there and to make use of these at every opportunity. The librarian will gladly assist any employee to locate books or periodicals which are designed to keep employees informed as to articles which are published from week to week on subjects which are connected with the Company's business. Employees can secure copies of the Digest upon application to the head of their department.

The rules for taking books and periodicals from the Company Library are as follows:

1. Any employee of the Commonwealth Edison Company is entitled to the privileges of the library.
2. Books may be read in the library room or taken away.
3. Books may be borrowed by applying to the librarian or library attendant.

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4. Books may be kept for a period of two weeks, but upon request may be renewed for a like period. Periodicals are loaned for three days.
5. All books and periodicals are the property of the company and must be carefully treated and promptly returned.
6. Any employee borrowing a book and not returning it will be expected to either replace the book or pay full value of same.

Among the concerns which have established libraries are:

### PUBLIC UTILITIES

Stone and Webster, Boston.  
Public Service Corporation, Newark, N. J.  
United Gas Improvement Co., Philadelphia.  
H. M. Byllesby Co., Chicago.  
Commonwealth Edison Co., Chicago.  
Toronto Gas and Electric Light Co., Toronto, Canada.  
Peoples Light, Gas and Coke Co., Chicago.  
American Telegraph and Telephone Company, New York.  
Boston Consolidated Gas Co.  
New England Tel. & Tel. Co., Boston.  
New York Edison Company, New York.

### FINANCIAL

Price Waterhouse and Co., New York.  
Fisk and Robinson, New York.  
Wall Street Journal, New York.  
Babson System, New York.  
Blair and Company, New York.  
F. J. Lisman and Company, New York.  
National City Bank, New York.

### MANUFACTURING

General Electric Co., Schenectady, N. Y.  
Studebaker Corporation, South Bend, Ind.  
National Carbon Co., Cleveland, Ohio.  
Diamond Rubber Co., Akron, Ohio.  
Goodrich Rubber Co., Akron, Ohio.  
Bausch and Lomb, Rochester, N. Y.  
American Brass Company, Waterbury, Conn.  
Dodge Mfg. Company, Mishawaka, Ind.

### INSURANCE

Insurance Association, Boston, Mass.  
Association of Life Insurance Presidents, New York.  
Prudential Life Insurance Company, Newark, N. J.  
Insurance Association, New York.  
Metropolitan Life Insurance Co., New York.  
Fidelity Mutual Life Insurance Co., Philadelphia.

### MISCELLANEOUS

Arthur D. Little, Inc., Boston (Chemists).

Bureau of Railway Economics, Washington, D. C.  
Engineering Societies, New York City.  
Curtis Publishing Company, Philadelphia.  
Alexander Hamilton Institute, New York.

#### MERCANTILE

Wm. Filene Sons, Boston.  
Marshall Field, Chicago.

These companies, together with many others, have come to realize the value of proper business education for their employees. Some are content to place books and periodicals at the disposal of their organization, regarding it as one of the evidences of progress when an employee actually takes advantage of them. Others are using various means for stimulating interest in the library and this seems to be the most successful plan.

There are a number of concerns who have encouraged their employees to subscribe to reading courses on business published by reputable institutions. In these cases, meetings similar to these discussed later in this chapter are held and various parts of the course are systematically studied. The National City Bank of New York, the National Cash Register Company, the American Rolling Mills Company and others, now have such study clubs.

The Retail Credit Company of Atlanta, Ga., has probably done as much to make its library an effective business builder as any other concern. A very capable librarian has charge of the library and is given the responsibility of circulating it. Employees all over the country receive books from time to time, which the librarian has selected as profitable reading for those particular employees. In other words, each employee's ability, characteristics and tendencies are studied and books of particular value to him are sent to him. He is obliged to return the books with a report embodying his ideas of the features that particularly appeal to him, together with his criticisms and comments. A record of these reports is kept and in this way the management keeps in touch with the mental state of each employee of the company. There are several thousand scattered over the country.

**Study Courses**

One office manager has established an efficiency club, which in reality is an educational club. This club is composed of the more advanced members of his organization. Meetings were at first held monthly, but are now held each week. A plan of study has been mapped out based upon a number of books on organization, management, correspondence, accounting, selling, advertising and spn. Part of the book is assigned for reading and it is discussed and criticized at the subsequent meeting, The principles discussed being applied concretely to the concern's own activities. Various phases of the company's work, such as, for example, handling complaints, are analyzed and studied, and wherever possible improvements suggested. As soon as one feature seems to be under discussion too long so that it is apt to become tedious, the manager switches to another branch of study, thus keeping interest constantly alive. Below is a memorandum showing the organization of this club. There are also samples of the internal analyses that are made from time to time.

**INFORMAL ORGANIZATION OF THE GADEC**

**"General Accounting Department, Efficiency Club"**

**OFFICERS**

President .....	H. J. D.
Vice Presidents .....	A. W. B.
	G. H. G.
Secretary .....	J. O. K.
Treasurer .....	A. E. P.

**MEMBERS**

H. J. D.	W. M. M.
A. W. B.	W. K.
G. H. G.	J. I. W.
J. O. K.	F. E. G.
A. E. P.	W. H.
W. A. G.	B. N. B.

M. A. L.

**PURPOSE:**

To develop the business by developing ourselves.

**PLAN:**

The foregoing will be accomplished:

1. By reading and discussion of publications, subjects and methods tending to increase efficiency.
2. By a study of ourselves and better organization of our work.

**MEETINGS:**

At least twice each month.

**DUES:**

One dollar per month, which will pay for the books used. The Secretary and Treasurer will endeavor to purchase books at reduced prices.

**FIRST YEAR READING:**

Inspirational (including Biographical).

1. The Junion Partner, by Wooley, \$1.25.
2. Autobiography of Benj. Franklin, 85 cents.

Business Building (including advertising, selling, Psychology of Business, etc.).

1. Imagination in Business, by Deland, 50 cents.
- Efficiency (including Motion-Study and Management).
1. How to Live on 24 Hours a Day, by Bennett, 50 cents.
2. Primer of Scientific Management, by Gilbreth, \$1.00.
- Accounting (including Costs, Finance, Economics, etc.).

(To be selected later.)

**PERIODICALS:**

"World's Work"—See "Addison Broadhurst, Master Merchant," start in January, 1918. "System."

The following memorandum illustrates one of the kinds of self analyses made by the members of this club.

**GADEC**

April 25th. \_\_\_\_

Did you ever take an inventory of your mental, moral and spiritual assets? How do you stand on these? Mark yourself 10 where you are perfect; then the rest mark down to about where you are, and see how it looks. (To be turned in to me for criticism and suggestion but not for inspection by anyone but myself.)

Ambition  
Action  
Cleanliness  
Courage  
Courtesy  
Co-operation  
Concentration  
Economy  
Education  
Energy

Justice  
Kindness  
Loyalty  
Moderation  
Obedience  
Orderliness  
Patience  
Perseverance  
Personality  
Prudence

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Endurance	Punctuality
Enthusiasm	Purpose
Faith	Responsiveness
Frugality	Resolution
Fellowship	Service
Frankness	System
Good Cheer	Silence
Harmony	Self Control
Helpfulness	Self Reliance
Humility	Self Respect
Individuality	Self Sacrifice
Industry	Temperance
Initiative	Thoroughness
Intention	Truthfulness
Integrity	

Readings will be selected from the foregoing and we shall in various ways test the progress of each individual, giving suitable honors to those who complete the course satisfactorily. There will be assigned, also, study having a direct application to the work of the individuals and of the department.

### **EFFICIENCY MEANS EFFECTIVENESS**

It is the state of being able or competent; the state of possessing or having acquired knowledge or skill in any art, profession or duty; as "by patient perseverance he has attained a high degree of efficiency."

.....Pres.

### **Office Manager Should Keep in Touch With Progress**

In his efforts to educate his force the office manager should not forget that he himself should keep in touch with whatever development there may be in office organization and management. New ideas will constantly be coming to the front, as well as improvements in existing practices. The necessity of this has been voiced by Mr. George Eberhard, the well-known business analyst:

"To increase our knowledge of business and organization we must keep in mind the necessity of being systematic. The principal purpose is in giving new information. The secondary purpose is to gain more complete information about things already known. The third is to correct false or erroneous ideas, and the fourth to develop higher forms of knowledge out of the lower or simpler forms."

## CHAPTER XI

### THE HUMAN TOUCH

#### *Esprit de Corps*

There can be a bad *esprit de corps* as well as a good. According to the Standard Dictionary the term means the spirit which animates an association of men. If in an office organization the spirit of "self" predominates, so that the employees consider it a mark of especial favor when they answer civilly questions propounded by their colleagues, the *esprit de corps* is bad. If envy, jealousy, friction and scandal mongering prevail in an office organization we still have an *esprit de corps* but an unenviable one. The same is true if the members of the force are in harmony with each other but not in harmony with the management.

The author recalls such a condition in one of the large express companies. Among other fancy habits there was a system of taking afternoon naps in a cellar store room where filing records were kept. Pillows and cushions made of mail sacks were kept in a special corner. A long table furnished a comfortable resting place. The system was almost perfect. A schedule of "turns" was well understood. One new employee, who was not in sympathy with that sort of thing, was completely ostracized after having forcibly expressed his opinion of the practice. He was actually obliged to resign in consequence of the social stigma he had brought upon himself. Hundreds of hours have been slept away in that little cellar room.

The happy "work-together-for-the-good-of-the-organization" spirit is an enviable asset for any concern. It can and is cre-

ated by the policy and attitude of the management. Any body of men reflects the strength or the weaknesses, the love or the indifference, the warmth or the coldness, the happy or the what's-the-use attitude of the man or men at the head. The concern that regards its employees as machines should not be disappointed if the employees live up to the characterization.

### Three Forms of Compensation

An employee should be made to understand that he gets his compensation in three ways—his salary, education and the society of bright, wholesome men and women. In the right kind of organization the person who feels disgruntled because his salary is not high enough, ignoring the educational and social advantages of his position, is allowed to obtain a position in some other concern where the management feels the same way he does about these things.

It is one of the biggest duties of an office manager to establish and maintain a spirit of harmony, co-operation and loyalty throughout his force.

### Social Clubs

One of the most tangible methods is that of encouraging social clubs. In the Sherwin Williams Paint Company, for example, there are a number. The Get Together Club is composed of heads of departments, first assistants and special employees holding responsible positions. It is a social organization, meeting once a month. The company provides a dinner in the company's lunch rooms, after which the members are entertained by speeches by prominent business men, scientists, clergymen and others. Debates upon interesting topics are also conducted.

A Glee Club, composed of about fifty male voices is supported entirely by the office employees themselves. They not only organized the club on their own initiative, but have since kept it going, coming to the management from time to time for advice, which is freely given. At sales conventions the club entertains branch managers and salesmen, singing special Sher-



win William songs. These songs are now printed and bound in pamphlet form. Two are reprinted below indicating the similarity between the enthusiasm of the force and that of a well directed football team. It is this enthusiasm which brings out the best there is in a man.

#### EXPANSION

Tune—"Marching Through Georgia."

We'll sing a song rejoicing in the victories we've won—  
Fifty years we've striven and a glorious course we've run,  
But let us all remember that we've only just begun  
For we must cover all creation.

#### CHORUS

Hurrah! Hurrah! through fifty years we've run,  
Hurrah! Hurrah! and yet we've just begun,  
We'll never stop, we'll stay on top,  
There'll be no setting sun,  
For we will cover all creation.

From sea to sea we've marched our arms and now we look beyond  
Expansion is our motto, no better could be found,  
Europe, Asia, Africa are now familiar ground,  
For we must cover all creation.

#### CHORUS

#### THE VICTORY MARCH

Tune—"Down in the Field."

March, March, the world around;  
For Sherwin-Williams  
Let trumpets loudly sound  
For victories won;  
And give a cheer for the best there is  
In paints and varnishes.  
Shout it out: "We cover the Earth,  
And Always Will."

Public recitals and plays are also given by the Glee Club. Each year the company gives the members a Saturday afternoon trip to one of the near by country clubs in recognition of its good work at the conventions.

The girls have also formed an organization facetiously called the Bug Club ("Brighten Up Girls," the name being derived from the company's slogan). The purpose is similar to that of the Glee Club. At frequent intervals, the two clubs join forces

and give dances, vaudeville entertainments and plays of no mean merit. The clubs are inspired by the employees themselves, and that is as it should be. The proper spirit is established in an office when the employees begin to take enough interest in each other to desire social organization.

### Outings

Many concerns give their employees annual outings. In some cases all the expenses are paid, including the most minute, such as carfares and newspapers; in some, part of the expenses are paid, as in the case of the Sherwin Williams Company. In some, a day's holiday is declared, as in the case of the Alexan-

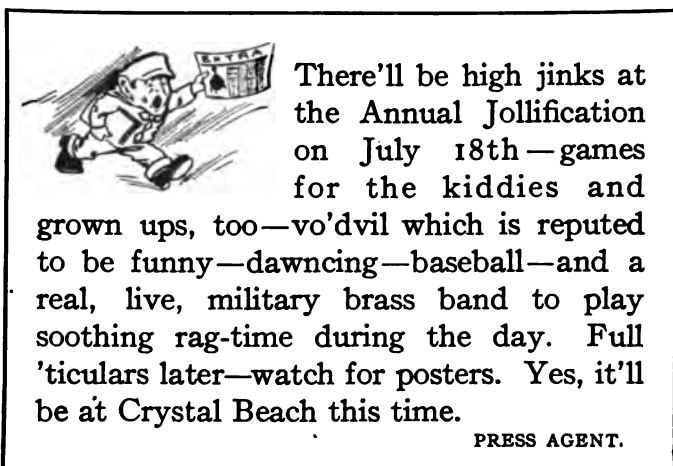


Fig. 12.

der Hamilton Institute. Games, contests, dancing and all the incidentals of a live picnic are arranged. Enthusiasm and a healthy competitive spirit between the contestants is aroused. Here, for example is a copy of an announcement and a poster by the Sherwin Williams Company in their 1913 outing.

### Loyalty

Loyalty is an especially valuable characteristic in a force of employees. It is based primarily upon pride; pride in the company's product; pride in its methods of doing business; pride

## JULY JOLLIFICATION

### Thirty-third Annual Picnic

Cleveland Employees of THE SHERWIN-WILLIAMS Co.

Crystal Reach Park, Friday, July 18, 1913

July is the month of perspiration, prickly heat—and picnics. Though you feel you're slowly melting and your collar's all awilt and you wish you were an Esquimau, cheer up! Soon you can take the moth balls out of your bathing-suit—dip your dainty tootsies in the cooling waters of dear old Lake Erie—forget your troubles and be young once more. That is, if you come to our little family gathering on July 18th. (Write this on your cuff.)

And of course you mustn't stay away. We'll miss you greatly, and you'll miss lots and lots and lots of good things. We want the family, too. Hush! We shouldn't tell you this—it's a deep secret—but here're a few of the stellar episodes that our clever and convivial committee has planned:

Baseball—merrie-go-round, games, surprises and souvenirs for the children. You can play Kiss-in-the-ring if you like.

Races for the wee folks and races for the big folks—blindfold race—relay race—women's fat and forty race with no questions asked.

Then comes the grand circus and vo'dvil that's got Barnum and Bailey's and Keith's combined beaten to a frazzle. The strong men are eating grape-nuts and the bearded lady has quit shaving. There'll be a quartette contest with celestial music; but if this is too much, rain checks will be issued.

Also dancing. All the devotees of Terpischore are invited to trip the light fantastic to the accompaniment of an orchestra that has stayed up nights practising all the raggy tunes.

There's boating, bathing, box-ball and bowling—and perhaps they'll put your picture in "The Chameleon." See program for the horrible details and time of trains, etc.

For the poor bachelors who have no wives to make sandwiches, a chicken dinner (vintage '13) will be served for fifty cents.

TRAIN SERVICE—N. Y. C. & St. L. R.R. (Nickel Plate)

GOING: 3 Trians; two leaving Euclid Ave. (Lakeview) at 8:00 and 8:10 A.M., stopping at Buckeye Road, Kinsman, Broadway, West 25th St., Lawn Ave., West 117th St., Brockley Ave. (Lake-wood and Rocky River; one leaving Broadway at 8:00 A.M., making the same stops.

RETURNING: 3 Trains; leaving at 5:30, 6:00 and 6:30 P.M., making all of the above stops.

TICKETS: One round trip ticket free to each single employee; two tickets free to each married employee; extra tickets, for adults 50 cents, children 25 cents.

Fig. 13.

in its financial standing; pride in its method of handling employees. To engender such pride it is necessary to arouse the interest of employees and to make them feel that the company's progress means their progress. House organs, to which reference has already been made, are wonderfully effective in this respect. A general positive expression of confidence in the employees, a fair, above-board attitude in dealing with them, are elements that stimulate pride. Competitions and the publicity given to the winners, already referred to, are also effective factors.

### Human Interest

One large concern places on each employee's desk every Monday morning a blotter printed with some significant message (figures 14 and 15). The message becomes the thought for the week and flashes out each time the blotter is used. The company feels that it is obliged to supply blotters in any event; the slight extra cost for printing is more than warranted.

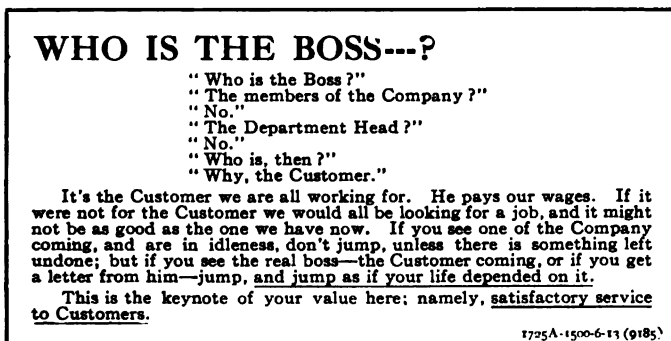


Fig. 14.

We are slowly passing out of the period during which business men regarded contracts of employment in the same manner as contracts of purchase and sale are regarded. There is a distinct difference. Theoretically, an employee has services to sell for which there is a market. So far, the position of a concern selling merchandise and that of the employee are identical, but

no farther. A business concern can command capital with which to advertise and employ salesmen. The employee is more or less thrown upon the mercy of the employer. In the last analysis, the employer desires profit in order that he may purchase

## Think This Over

Can you say truthfully, that you always do things just the way  
you would do them if you owned the whole works?

Fig. 15.

necessities, comforts and luxuries he wants. The employee desires employment and remuneration for the same reason. The fact that there is a vast difference between the ambitions of the two does not alter the case. The point is, that it is the employer's duty to realize that his employees deserve the same treatment he should like to have if their positions were reversed. He expects them to give the same thought and energy to his work as they would if the business belonged to them. It is only fair that he apply the same logic in reverse to himself.

### Pleasant Atmosphere

The author, during a visit with Mr. H. C. Dibble, vice-president of the Hill Publishing Company, observed a gentleman going through the office distributing small bouquets of flowers. Upon inquiry whether that sort of thing was usually permitted and whether it did not tend to disorganize the routine, Mr. Dibble replied, "Oh! that is Mr. Hill our president. It is one of the little things he likes to do. The roses are from his own garden, and he occasionally distributes them among the girls. It is the human interest touch that helps make life worth living. There may be a new girl down the line. When the president of

the company speaks to her and gives her a few roses, you can imagine that a friendly relation is at once established.

"We feel here that life is not all work. While we expect our employees to attend to business, and do the work that is required of them, we do our part to make their surroundings and working conditions as pleasant as possible."

It does not require much expense or time to look after the physical comfort of office employees, especially female employees. The Burroughs Adding Machine Company and other concerns allow their women clerks to leave fifteen minutes earlier than do the men, in order to insure their having seats in the cars. The National Cash Register Company has established ten minute rest periods during the morning and during the afternoon. Many concerns have provided sofas and rest rooms for their young women and have yet to find a case where the privilege is abused. One office manager during especially heavy periods of work sees to it that a box of confectionery or a basket of fruit mysteriously appears. He regards his act as nothing more than common sense.

#### Distributing Literature of Interest

Very often an especially good business book or pamphlet makes its appearance. The live executive should be on the lookout for anything of this sort which would act as an inspiration to those under his direction. The following memorandum refers to a story which appeared in one of the leading magazines and was afterward reprinted in pamphlet form. The story was remarkably well written, was based on facts, and was rich in illustration as to how a man with a purpose and a will could succeed in spite of apparently insurmountable obstacles.

"Take these home and read them—both the bulletin and the story or 'The Blue Store.'"

The story of The Blue Store is good. I like it so well that I have ordered forty copies for the G. A. Department. You know the value of a book is not in what it tells you, but in what it makes you *think*, so when you read it, loosen up on your imagination and let your thoughts sail skyward or wherever they go when they are really worth while.

"Henderson" has discovered the secret of success, and the same principals which he followed in his "store-business" will make you and me equally successful in our "desk-business."

The first two paragraphs of this story caused me to think of the story of the City of Happiness by Robert Louis Stevenson.

"A party of youths were pressing forward with eager feet along the road that led out of the mountains into the great world below. They were traveling toward gold and fame and sunshine, spurred on by that mysterious impulse called Ambition. And as they journeyed they met an old man, shod with iron, tottering along in the opposite direction.

The old man bade them pause for a moment, questioning them as to whither they were going, and the youths answered in one voice, 'To the City of Happiness.' The aged pilgrim looked at them gravely. 'I have sought,' he said feebly, 'over the most part of the world for the city of which you speak. Three such pairs as you see on my feet have I worn out upon this pilgrimage. But all this while I have not found the city. Yesternight I fainted from exhaustion by the roadway, and as I lay there I seemed to hear an Angel saying 'Behold the City of Happiness lies at every man's threshold, and there be no need for him to journey far in its search.' And so now I am going back, after all these years, to my little mountain home, and, God willing, I shall find there the happy city.'

So it was with "Henderson," he had found the City of Good Fortune—it was literally at the old threshold. I am sure you see already the likeness between your "job" and the old paint shop. But it does not matter from what point you start. The main question is "where are you going?" You can see in the story where and how "Henderson" *arrived*. The paint business was already "*Overcrowded*," but that did not scare Henderson; he was a *quality* man. Then he sold *quality goods* and did everything just a little better than his competitors.

So it is with you. The only difference is that you are selling your time and ability instead of cans of paint. You may be one of the thousands of ordinary clerks or one of the quality men, as you choose; instead of moving your paint stock from a small store to a larger one, you will move your stock of knowledge, experience and time to the position next ahead—if you can show that they are *quality goods*.

Give particular attention to the matter under the picture of the "fish pond." Do you see how this man *knows*—anything and everything? How many times have I asked the boys to keep just such records of their own work—dates and particulars of important decisions concerning parts of their work, authority for changes and special or peculiar charges, cross references, full explanations on charge slips, etc. Only two, I believe, have taken fast hold of this idea and made it their own; and they are becoming increasingly valuable to the business. Thus you will find a lesson in almost every paragraph of this story.

We are trying to make the G. A. Dept the Quality Dept. of this company. We have during the past year done the best work ever turned out

by this department. We have made notable improvement, but we can do much better; we must have more progress, more thought, still more care. We must do work that stocks up above the ordinarily good—it must be the REST."

Yours very truly,

There are a number of business magazines, the subscription prices of which are from \$1.00 to \$2.00 a year, which might well be distributed among office employees. The return will, in most cases, more than warrant the slight outlay. Many concerns subscribe to magazines of this sort in lots of from fifty to one hundred for their employees. A great many also make it a practice to distribute as Christmas presents valuable business books instead of money donations. The books are kept and remembered, whereas the money is soon spent and forgotten. But the most important point is that a good business book is much more valuable to the employee and indirectly to the company.



## CHAPTER XII

### WELFARE WORK

#### Vacations

There is not much argument against the granting of an annual vacation. A vacation rightly spent will prove of incalculable recuperative value to body and mind. Many concerns absolutely insist that every man in the institution take a vacation of two weeks or more, as the circumstances may be. Banks are especially insistent. It gives them an opportunity to examine the condition of each man's work and frequently is the means of uncovering irregularities.

There are two good reasons for the vacation system. The first is that it breaks the monotony of routine work. It gives the employee a change of surroundings and an opportunity to replenish his store of energy upon which heavy requisitions have been drawn during the previous year's work. Mr. Orison S. Marden recently said, "There are just as many people who do not play enough as there are people who play too much. Play is a very important part of our existence. Perpetual seriousness has a depressing influence upon the mind, so that it does not get complete relaxation. There is always a mental strain. A bow that is always bent loses its tension. Perpetual seriousness is not normal. It is an indication of an abnormal mental condition." The vacation is a sane practical application of the adage we learned during childhood days, "All work and no play makes Jack a dull boy."

The second is that it disabuses the employee's mind of the idea that he is indispensable. Just as soon as an employee feels

his work is so important that he cannot leave it for two weeks, the time is ripe to force him to leave it for that period or longer. During the vacation period, the office manager has an opportunity to give his people an insight into the details of duties performed by other employees. In times of emergency, therefore, he will not be at a loss to find someone who can take care of the routine duties of an employee who is obliged to be away from the office for a time.

### The Efficiency Vacation

Recently, however, the "efficiency vacation" came into existence. The "efficiency vacation" eliminates the understudy idea, but has other advantages which probably more than offset it. The Elliot-Fisher Company was the first to adopt the "efficiency vacation" (Figure 16). The term simply means that all the employees in both shop and office take their vacations at one time. The plant is closed down and the customers are notified that no business will be done during the vacation period. Perhaps an executive or two and one or two of the clerks to open and answer whatever mail may come in are kept on duty.

<h2>Vacation Notice</h2>	
Our general office, factories and sales offices everywhere will be closed for the Annual Vacation of our employees from Friday night, June 28th, to Monday morning, July 15th.	
Emergency orders for new equipment, supplies or repairs, will be received by mail or telephone and will be cared for during this time as at other periods of the year.	
Harrisburg, Pa. May 1st, 1912.	ELLIOTT-FISHER COMPANY.
Form 31	

Fig. 16.

The advantages of this system are:

First: The force is evenly balanced at all times. While business is going on, all the employees are at their desks. During the vacation everyone knows that no business is to be done

and there is no necessity of keeping any part of the force on duty.

Second: An employee does not, when he returns, find it necessary to cope with an accumulation of his own work, which the substitute could not finish, plus his current routine work, plus the duties of some other employee away on a vacation. He has only his own work to handle. The situation is almost the same as it would be on Monday morning following a week end trip. This obviates the necessity of rushing at top speed during the periods preceding and succeeding the vacation. When he goes away his work up to date. When he returns it is just as he left it, with the addition of some small matters which may have come in while he was away. The entire force returns with renewed vigor, which is not immediately dissipated. Whatever work may have accumulated during the vacation period is quickly disposed of because it is distributed over the entire force which is thoroughly able to handle it.

At this writing the National Cash Register Company and the Alexander Hamilton Institute have also established "efficiency vacations."

### Various Systems

There are various vacation systems in use. Some concerns allow their employees two weeks with pay; others one week with pay and one week without, and so on. An investigation of this feature shows that in the majority of offices, employees who have been with the company for one year or more receive two weeks with pay; those who have been employed six months or more get one week with pay. The Metropolitan Insurance Company has established a system of adding one day to the vacation period after an employee has been with the company five years, three days after ten years of service, and so on, thus making the vacation a method of rewarding loyal employees.

One firm gives two weeks with full pay to those who have been in the company's employ a year or more and grants an

additional two weeks with pay to those who attain a certain yearly standard of efficiency.

The consensus of opinion seems to be that a business concern does not lose in the long run by paying salaries to employees while they are away on their vacations. They get back in increased stamina and renewed vigor much more than the money paid out for the time not spent in service.

### Vacation Schedules

If the efficiency vacation is not in use there is always more or less dispute over when the various employees shall take their vacations. The most common practice adhered to in making up vacation schedules is to apportion the choice of dates according to seniority of service. At least one firm, however, has found it effective to give preference in choice of dates to those employees whose competency records for the year are highest.

### Stimulating Proper Use of Vacations

The chief difficulty with vacations is that many people do not actually make the most of their periods of recreation. In any summer resort you will find hundreds of people dissipating their energies by attending "parties" which keep them up late at night, and in bed late in the morning. The office manager might well devote some of his thought and advice toward influencing his employees to spend their vacations in the right way. The following memorandum is an example of an effort in this direction.

The company does not, of course, presume to dictate to any member of the force how he or she should spend his or her vacation. A suggestion or two may, nevertheless, be in order.

A great many people do not spend their vacations in such a way that they are benefitted. Staying up late at night and indulging in other unhealthy practices does not tend to bring about that refreshed condition of mind and body for which your vacation is intended.

The following extract from a pamphlet issued by a large manufacturing company to its employees contains some food for thought:

"Let your vacation be an investment in efficiency. Return from your outing in the country or at the sea shore with a glowing surplus of health and energy. While on your vacation avoid rigidly everything that will tend to weaken or undermine your nerves and muscular system. Avoid

late hours—don't be a night owl—cancel gay companions. Get lots of fresh air. Keep your mind off business matters. Let your physical organization have a complete chance to recuperate in every direction. Go in for adequate exercise, long walks at sunrise, swimming, rowing and other athletic sports. Eat plenty of wholesome food. An important point to remember is this—sleep in a well ventilated room, and adhere to that excellent saying—"Early to bed and early to rise, make a man healthy, wealthy and wise."

In large offices it would be advisable to make a detailed study of the kinds of exercise that are beneficial. The results, together with model schedules, if printed in booklet form and distributed among the employees, would undoubtedly be effective.

### Loan Sharks

In large cities the "loan shark" has become a particularly annoying parasite. He is willing to loan money on chattels and, through a system of bonus charges which in hundreds of cases have doubled and tripled the amount of the original loan, evades the usury laws. Unfortunately, in most cities he can garnishee an employee's salary, if he does not get his payments. There are times when misfortune plays havoc with a man's circumstances. Illness, accidents, death and the like may force him to borrow money. At such times he is apt to be an easy victim of the loan shark, who will bleed him as much as he possibly can.

### Savings Funds

Progressive business concerns now recognize the importance of taking steps to counteract the insidious influence of the loan shark. An employee who is harassed by constant demands for payment and the increasing amount of his debt cannot give his best thought to his work. For that reason the savings fund has been generally established in offices throughout the country.

There are two methods. One is to encourage savings and discourage loans; the other is to make it easy for an employee to borrow from a private savings fund. In the first case, organizations for the purpose of saving are established, and employees who are in trouble are invited to apply to the management of the concerns for loans. This, of course, is a stone in

the path of the unfortunate employee who needs money, because he dislikes to let his employers know that he must borrow. In the second case associations loan money to the contributors to the fund under certain restrictions. The second method is probably the better, in that it places the employee in a more independent position.

Savings funds should be under the close supervision of the executives of a concern. Care should also be exercised to avoid conflict with State banking laws. Usually large sums of money are handled. To inspire the confidence of the members they should be made to feel that the company is behind the scheme and will guard against all acts of unfairness.

The rules and regulations of a typical employees' savings fund will be found in the Appendix.

The H. E. Lesan Advertising Agency has established an Employees' Association, the officers of which are a chairman, vice-chairman, secretary and treasurer, all elected by the members themselves. Each member pays dues to the Treasurer of the organization, the dues amounting to one-fourth of 1 per cent of the yearly salary. These dues make up a loan fund for the assistance of any member who may be in need as the result of illness, or other emergencies. When the sum reaches \$1,000 dues are discontinued until they are needed again. This is almost an application of a socialistic principle, but it seems to work out satisfactorily.

In the issue of *Business* for January, 1912, there is an account of an insurance company employing a force of 200 to 300. There was considerable grumbling among the stenographers because of their inability to go away when they got their two weeks' vacation. The company started a "Bauverein." Each stenographer pays 50 cents a week or more on payday to the cashier, who banks it and divides the interest pro rata among the members. The rules are simple:

1. Members must pay dues on Friday between 12 and 2.
2. Anyone not paying at the specified time will be dropped from the "Bauverein" and forfeit the amount paid in.

### Pension Systems

The New York Telephone Company, the United States Steel Company, the Western Sugar Refining Company, the Pennsylvania Railroad, the Westinghouse Air Brakes Company, the International Harvester Company, the New York Central and Hudson River Railroad Company, the Commonwealth Edison Company and hundreds of other concerns have during recent years established pension systems. These systems were originally devised for factory employees, but are usually applicable to office employees as well.

Pension allowances are based upon the age, wages and time of service. They are paid monthly instead of in a lump sum, and the monthly payments cease with the death of the beneficiary. The financing of pension systems is commonly based upon an original appropriation from the treasury of the company supplemented annually by fixed appropriation.

There are various age limits and methods of calculating pension allowances. The age limit varies from 60 to 70 years, women as a rule being retired at 60 years. A definite period of service ranging from ten to thirty years is usually an established requirement, the practice in this respect varying considerably. The majority of the big corporations base their pension allowances upon the following rule: For each year of service 1% of the average monthly pay for the ten preceding years would constitute the monthly pension allowance. Thus if an employee has been in service for thirty years and during the past ten years has received an average annual salary of \$2,000, his monthly pension would be \$55.55.

### A Typical System

Following is a description of a typical system:

#### SERVICE ANNUITY SYSTEM

The Board of Directors of the Company, at a meeting held on November 21st, 1911, adopted a plan for the creation of a Service Annuity System, with a view of making some provision for faithful employees who have completed a certain term of service.

The plan provides:

First: That an employee who shall have reached the age of fifty-five years, and shall have been in the service of the Company for thirty years or more next preceding his retirement, shall, upon his request, if approved by the Service Annuity Committee, be retired from active service with a service annuity.

Second: That any employee who shall have reached the age of sixty years, and shall have been in the service of the Company for fifteen years or more next preceding his retirement, shall, upon his request, and at the discretion of the Service Annuity Committee, be retired from active service with a service annuity.

Third: That any employee who shall have reached the age of sixty-five years and who shall have been in the service of the Company for fifteen years or more next preceding the date upon which he shall have reached the above age, shall be retired from active service with a service annuity unless the Board of Directors shall, for special reason, continue any such employee in active service without a service annuity.

Subject to the provisions of the plan, the amount of the service annuity to be paid each year to an employee retired under the System shall in general be as follows:

Two per cent of the average annual pay of such employee during the particular consecutive five years of service when his average pay was the highest, multiplied by the number of years of his service, provided that in no case shall the service annuity paid to any employee in any year be less than Two Hundred and Forty Dollars. Service in the Company, as defined in the plan, includes service in the Commonwealth Edison Company, and in any Company which has been wholly merged into, or acquired by, the Commonwealth Edison Company or any of its predecessor companies prior to June 1, 1910.

The System is to be administered by a Committee of Five, of which the President of the Company is *ex-officio* a member and a chairman, the Secretary of the Company is *ex-officio* a member and the secretary. The other three members of the committee for the first year have been appointed by the Board and are Messrs. Louis A. Ferguson, W. L. Abbott, and J. H. Goehst.

## Welfare Work

About 1892 the National Cash Register Company, which is now a \$10,000,000 concern with over 10,000 employees, almost failed. Thousands of dollars worth of cash registers were returned because they over-added. To-day this concern is one of the most efficiently managed manufacturing companies in the country. It has since been proved that, not only poor ma-



chinery but lack of supervision and organization, and lack of interest on the part of employees were responsible for this breakdown.

To-day this company carries on probably more welfare work than any other in existence. It defines welfare work as "capital, labor and management working together for the interest of all." The actual cost of all its welfare work is about six cents per day for each employee, both in the factory and in the office. The company feels that it must certainly receive in return more than six cents in increased efficiency. Welfare work, therefore, is not regarded in the concern as philanthropy—it is good common sense. One of the first things the Cash Register Company did when, upon analysis, it found that it would be necessary to stimulate loyalty, interest and co-operation on the part of the employees was to establish schools. By the aid of pictures, employees were shown the things that were wrong. By teaching through the eye, we can bring a point home more forcibly than by words only.

The factory neighborhood in the early days was most undesirable. The boys in the neighborhood were not in sympathy with the company when it commenced to beautify the factory premises. They delighted in breaking the windows and pulling up the shrubbery. Instead of prosecuting the boys, they were called together and given a meeting place. Classes in clay modeling, wood carving and drawing were started.

### Gardening

In 1897 Boys' Gardens were started. Each boy was given a plot of ground, the company supplied the seeds, tools and a competent instructor, and the boys went to work. The ring-leaders of the gangs were given charge of the work, and they led for the good as well as they had for the bad. It was found to be more helpful and economical to maintain gardens than to be constantly replacing broken windows in the plant. In the season of 1912 there were eighty boys in the gardens.

The boys are incorporated into a stock company. They sell their produce, bank the money and declare dividends with every little outside assistance.

After the boys were interested in what the Cash Register people were trying to do, their parents were interested in a general clean-up movement. A Landscape Gardening school was started, to which employees and neighbors were invited. Stereopticon pictures were used to show how inexpensive and simple it was to beautify home surroundings. Seeds and shrubs were sold by the company at cost, and, as an incentive, prizes were given for the best results in setting out lawns, beautifying fences, window box and porch effects.

The section of the city where the factory is located, which was once known as "Slidertown" is now known as "South Park." The company did not do this work through sentiment. It was purely a matter of business. The employees could not have been expected to do their best work looking out upon such unsightly surroundings, so the conditions had to be changed. There are five Improvement Associations in South Park. The company still encourages this work and gives prizes for the best results.

### Helping the Women Employees

While the work on the outside was progressing, Welfare Work within the factory had been started and had progressed proportionately. It began in this way: The president in going through the factory noticed a young woman heating coffee on a radiator. Other women were eating cold lunches from their work benches. These women could not do their best work under such conditions, so a kitchen was installed. Now the women are supplied with warm lunches at the cost of five cents a day.

The women arrive at work one and one-half hours later than the men and they leave fifteen minutes earlier. This does away with considerable crowding in the street cars.

Sheds are provided for bicycles and motorcycles, together with compressed air for inflating the tires.

Elevator service is provided in advance of the time for going

to work, with separate elevator service for the women. This saves otherwise wasted energy climbing stairs.

High back chairs with foot rests have replaced the uncomfortable stools in women's departments.

Women are supplied with clean aprons and sleevelets. These are laundered in the company's laundry. They give uniformity of appearance, protect the clothing and do away with extravagance of dress.

There are recesses twice daily in women's departments. During the winter months the women go through light exercises during these intermissions. This refreshes them and results in better work.

There are rest rooms adjoining departments, to which the women may retire when indisposed. These rooms are under the supervision of trained nurses.

The women have organized a Century Club, which is self-governing. A Vacation House has been equipped by the company. Here some of the women spend their vacations, week ends and have dinner parties.

### Sanitation and Health

Windows reach from ceiling to floor. Four-fifths of the wall space of the building is constructed of glass. This gives the maximum of light and air.

New employees must undergo a physical examination before they are put to work in order to protect those already employed.

An oculist is employed whose duty it is to examine the eyes of all employees and advise them if glasses are needed. He does not prescribe. Employees may go to their own oculist for further examination and fitting of glasses.

The visiting nurse visits sick employees in their homes, makes helpful suggestions and gives advice. Every precaution is taken to keep employees well, but in case they become ill the company lends every assistance in order to get them back to work.

In the doctor's and nurses' office and Emergency Room sickness and accidents are cared for.

The air in the buildings is constantly being changed through a ventilating system.

A water distilling plant assures pure drinking water. Sanitary drinking faucets and individual sanitary drinking cups have replaced the public drinking cup. Water is tested frequently in the Bacteriological Laboratory.

The Officers' Club consists of 350 officers, heads and assistant heads of departments. It is located on the 10th floor of the office building. It affords an excellent place for the interchange of ideas concerning the business. Luncheon is served each noon at a nominal cost.

Special attention has been given to this very important matter of food. Special tables are provided for vegetarians. A dietitian is employed, whose duty it is to see that the meals are well balanced. The milk served is classified and clarified.

A force of 115 men is required to keep the factory clean. This is not a large number of men when one considers that they keep clean 38 acres of floor space and 431,000 feet of window glass.

Hair brushes and combs are sterilized daily.

Individual hand towels have taken the place of roller towels. It is hardly conceivable how much disease is carried through the roller towel.

Employees may bathe twice a week in the summer and once a week in the winter on the company's time, and more on their own time. Towels and soap are provided.

There are exercising and gymnasium classes for office employees. They exercise partly on their own time and partly on the company's time. There are also night classes for all women employees. This exercise keeps them in excellent physical condition, which results in more efficient work. Mechanical devices such as the horse, camel, vibrator, rowing apparatus, etc., bring into play muscles that are not commonly used.

The athletic field is located on the factory premises. There are three baseball diamonds, four tennis courts, shell and rifle ranges, etc.

The President of the Company has set aside a portion of his estate of 1,100 acres for use as a Country Club for all employees and their families to spend their half holidays upon these grounds during the summer months. In 1912 the average Saturday attendance was 2,000. Baseball, tennis, field events of all kinds, archery, soccer football, dancing and horseback riding are some of the sports in which our people indulge.

A charge of \$1.00 a year is made for membership to the N. C. R. Club, as the Country Club is known. By charging \$1.00 a year, the employee feels that he has an interest in the club, and so he is more likely to take advantage of its privileges.

Three thousand dollars is set aside yearly as prize money, to repay employees for good suggestions.

The Library contains over three thousand volumes. Books may be withdrawn at the cost of one cent per week. This places the Library on a self-supporting basis. The Library also contains all magazines, periodicals and many newspapers.

Employees are sent on educational trips at the company's expense from time to time, so they may learn what other people are doing and to apply what they learned to their own work.

Any activity that will result in increased efficiency and better health on the part of the employees is encouraged by the Company.

Welfare work is not only right, just and fair, but it is a necessity as well. The N. C. R. Company feels that a reliable, accurate cash register could not be manufactured without it. It stands to reason that when an inspector is not in good physical condition he will pass work that he would not pass ordinarily. In this way defective parts would get on the market and sooner or later cause trouble.

Welfare work supplies just that which is lacking in the inspection system. It brings the best efforts out of each employee, it results in team play and co-operation.

While welfare work benefits the company, the employees, too, are being benefited. They are in better health, doing better work and are increasing their earning capacities continually.

Many other concerns, following the experience of the cash register company, have recognized the dollars and cents value of welfare work. The Curtis Publishing Company, for example, has established restaurants, cafeteria, recreation rooms where employees may dance during the noon hour. Rest and reading rooms are provided for girls. Most of the banks and large insurance companies have established restaurants in which the prices are placed at cost. The company lunch room has become a national institution, rest periods—usually ten minutes each—have been established in the morning and afternoon in many offices; libraries (containing business books for the most part) are very common; athletic organizations, hospitals and other similar welfare features may be found in almost any well-managed office.

## CHAPTER XIII

### MISCELLANEOUS AIDS

#### Responsibility and Authority

An executive who has come up from the ranks after years of striving is very apt to forget that the people coming behind him are learning the same things he learned in days gone by. Not only that, they are learning the best methods and are bringing their own viewpoints to bear upon their work. The executive, however, frequently fails to accord the same responsibility and authority to his employees which he felt he himself merited when he was in their positions.

#### Management Another Word for the Distribution of Responsibilities

According to Mr. G. C. Webster, one of the well-known managers of the General Electric Company, management is only another name for the distribution of responsibilities, and the success of a manager is entirely dependent upon his ability to delegate responsibility. (An executive's pride should rest not upon what he himself is able to do but upon the men he develops) Mr. Webster contends that the one great source of inefficiency in present day administration is the lack of ability or desire on the part of executives to turn over to their subordinates work which the latter are perfectly capable of doing and in many instances are better able to perform than the executives themselves. The ideal executive is one to whom comes few of the details, the result being that his mind is always free.

The head of the purchasing department in one of New York City's branches of Government handling \$42,000,000

worth of purchases a year found that three of his assistants could do much of the planning and other detail work which he had previously believed could only be handled by himself. Now he lets the three assistants, whose salaries are very much less, take care of this particular work.

Mr. R. W. Proctor relates the story of an incompetent assistant credit manager already booked for dismissal who was suddenly called to carry on the work of his chief, and to everyone's surprise developed executive ability of a high order. Strict attention to duty and business acumen took the place of carelessness and lack of judgment. If there is a spark of real stuff in a man responsibility is the fan that will bring it to a flame.\*

In every organization of any size there are usually a number of employees who are by nature fitted to lead. The office manager should as soon as practicable give them the responsibility and authority they deserve.

Right here it may be noted that the hardest worker in the office will not necessarily make the best leader. He will, however, probably think that he would and for that reason great tact must be exercised lest he should be antagonized and his usefulness in the office diminished.

Moreover, it may be said that the average office employee will work with greater efficiency if he is made responsible for the performance of certain specific work. Responsibility and, in occasional cases, authority are wonderful efficiency stimulants.

### Getting the Confidence of the Employee

At various points the desirability of getting the employee's confidence has been suggested. So important is this feature of management, however, that it may not be amiss to emphasize it here. If he has not the feeling that the firm will give him a

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\* "Business," November, 1911—"Getting More Out of the Working Force," R. W. Proctor.



square deal it will be useless to look for loyalty or enthusiasm in an employee.

### Specialization

It follows from what has just been said as to responsibility that each employee's work should be so laid out that he can determine definitely just what part of the routine is assigned to him. This, of course, is usually taken care of in the "Office Instructions" or "Office Manual."

But the office manager should go farther than this. As far as possible he should assign work so that each clerk's duties will be as specialized as possible. In the circular mailing department of one large concern there are some forty clerks addressing material from cards. To facilitate this work one girl is assigned the special duty of going through the files and standing on end the cards which are to be used. The time saved for the operators has resulted in an increased speed of 30% and a 10% reduction in salary cost.

In the collection department of another concern the same method is used in sending out follow-up matter to delinquents.

It is frequently possible in large billing departments to effect considerable saving in time through the specialization of minor duties, such as having forms and carbons prepared all ready for the machines. A \$5 a week girl can arrange forms and carbons for thirty or forty \$12 a week billing machine operators. In some offices this method is adopted in arranging letter heads for stenographers' daily correspondence, thus eliminating several hundred useless motions during the course of the day.

It would be impossible to point out here all the various places in an office where specialization is possible; each executive must himself study the conditions with which he has to deal and apply the principle in a common sense way. Office boys who frequently find more time for mischief than is good for them can relieve higher priced employees of much petty work,

the performance of which encroaches upon the time required for more important duties.

### Concentration

Concentration is not always inherent but there are various ways in which it may be developed. While it is not possible for the manager to instill the quality of concentration by means of a hyperdermic injection, it is possible, however, for him to eliminate many distracting factors. Noise is probably the worst. Copyists and editors for that reason sometimes insist upon having private offices as nearly sound proof as possible. Such improvements as covering the floor with a sound minimizing material, placing rubber rests under typewriter desks, using noiseless typewriters and eliminating movement about the office as much as possible will do much toward increasing the output of an office. In a noisy office there is always a tendency to slacken off and to notice what is going on. Conversation between employees under such circumstances also becomes a temptation, whereas in a quietly conducted office the tendency is to keep it quiet. In a quiet, dignified atmosphere an employee cannot conscientiously sit at a desk doing absolutely nothing; it becomes second nature for him to place all of his thought upon his work.

### Automatic "Tickler"

In every office there are a number of people who are obliged through some method or other to remember at definite future times that certain things must be done. The president of the company may want certain statistics on the 12th of the month in order to have time to digest them before the directors' meeting on the 15th; the head of the advertising department may have an idea in January for sending out circular matter that would be timely just prior to the 4th of July. During the course of a year thousands of such matters for future attention arise.

The man who has a portfolio on his desk does not always find it convenient to go through his papers daily; moreover,

it is usually not large enough to hold all the memoranda as to matters requiring future attention. While the desk calendar should theoretically be satisfactory, in practice it is found to be wanting. Somehow memoranda are not entered when they should be or the calendar leaves are not turned over for days at a time. The desk portfolio marked "Immediate," "In Suspense" and "Future Consideration" is worse than the desk calendar.

A central "tickler" file for all the employees in an office, or in a department, filed alphabetically according to the name of the employee interested has been proven to be the most reliable method for bringing matter to the attention of the proper persons on time. A plain correspondence folder of heavy manila paper marked in the upper left hand corner with the name of the employee and in the upper right hand corner in lead pencil with the date on which it is to be laid on the employee's desk is commonly used. All the correspondence or memoranda are placed in the folder to refreshen the mind.

The method of operation is very simple. The idea in memorandum form, or the correspondence concerning a special case, desiring attention at some future time is merely marked "Tickler File (date)." The office boy collects the memoranda, places them in the basket of the file clerk. The latter enters the name and the date on a folder and files it in the employee's section chronologically. Each morning a clerk goes through the file and picks out the folders requiring attention that day. It will only be necessary to go to as many places as there are employees to whom positions are assigned in the "tickler" file. The folders with the earliest dates are always on top.

### The Telephone

The telephone, though of undeniable usefulness, is also often a cause of annoyance in the office. One of the most common complaints is that often important messages never reach the person for whom they were intended. Such a complaint may be

avoided by the use of one or the other of the following forms, which appeared in the issue of Business for October, 1912.

.....191...
Mr.....
While you were out there was a telephone call to-day at...o'clock
from Mr.....who said.....
.....
He wants you to call him up. His No. is.....
Mr.....called at.....o'clock
and left this message.....
.....
Signed.....

FORM 10.

Another common complaint is the confusion that arises in taking over the telephone orders for goods. Such confusion may be obviated by the use of the following form:

Telephone Order.		
To.....	Address.....	
(Car)		
F. O. B. (Job)		
.....	.....	.....
Commodities	Package	Price
.....	.....	.....
.....	.....	.....
.....	.....	.....

FORM 11.

This form should be filled out in duplicate by the telephone operator. The original should be sent to the proper department and the copy to the customer, so that he may correct any mistakes that may have been made.

In the best managed business houses the practice of answering the phone by "Hello" is rapidly being discontinued. Instead the operator is instructed to answer every call by giving the name of the firm and the number of the phone; for instance, "Smith & Jones, Broad eight-six-two." It has been found that this practice avoids confusion and also saves considerable time.

### Tact at the Telephone

It frequently happens that the person on the wires does not know what person in the office to ask for in order to transact his business. For that reason the operator should be well informed regarding the duties of everyone in the office in order that she may quickly connect the caller with the right person.

The person answering the telephone should never be allowed to use such expressions as "wh-a-a-t?" "Can't hear you." Instead, "Will you be good enough to repeat that, I couldn't quite hear you," is much more tactful. Tact at the telephone should be insisted upon.

The practice of using the telephone for private business should be discountenanced. Not only is it expensive so far as the telephone service cost is concerned, but it hampers the routine and sets a bad example as well. Where a switchboard is maintained the operator should record in a telephone roll book every incoming and outgoing call, listing the number called and the employee calling for outgoing calls, and the incoming calls for employees. A pad for night calls should be left for the use of employees using the telephone after hours. The operator should call the telephone company each morning and get a list of the outgoing calls for comparison with the pad records. Each month a report should be rendered to the office manager or chief clerk showing the number of calls made by the various employees during the month. This will show in a general way who is answering the telephone. In some concerns employees are asked to announce personal calls to the operators and they are charged for them. In others, personal calls are not allowed except in cases that are extremely urgent. Where this rule exists it is generally observed; and it seems to be the most satisfactory rule so far discovered.

### Office Boys

Where a corps of office boys is maintained one of two plans of supervision may be adopted. One is to place an industrious boy, who is well liked yet attends strictly to business, in charge

of the group. Each boy should be given specific duties to perform so far as possible. Where two boys are depended upon to perform the same kind of work, such as collecting mail from desk baskets or collecting wax cylinders for the dictating machines, the work is seldom done promptly. If one boy is specifically delegated to perform one or more of these duties and is held strictly responsible he will be more apt to see that the work is done. The head office boy should keep a time record of errands and should obtain orders from executives who want errands done.

The other plan is to place an elderly man, who has spent the greater part of his life and who is regarded as a semi-pensioner, in charge of the boys. Such a man would be apt to be loyal to his employer above all else. His experience enables him to watch the group of boys more intelligently than would a boy who has not been in business life for any length of time. His judgment as to the boys in line for advancement would also be more or less valuable.

#### Postage Stamp Nuisance

In the large cities, especially, there is a practice of stealing postage stamps. They are bought by people who make a business of buying stamps and stamped envelopes at ridiculously low prices and of disposing of them at the regular postoffice rates in low grade stationery stores. Modern sealing and stamping devices, which record the number of pieces stamped and in which the stamps may be locked, prevents this sort of thing. Where no such machine is kept the stamps should be kept under lock and key and dealt out by a responsible person familiar with the mail. Occasional unexpected counts should be made and the stamp requisitions verified. General supervision may be maintained in the accounting department if the mailing department is compelled to draw daily requisitions for stamps for each departemnt. The records of work performed in each department showing the number of letters dictated may be examined and compared with the number of stamps used. The

stamp problem is serious and deserves constant attention, not only because of the possible money loss involved, but principally because of the wicked influence on the character of the boys for whom the temptation is too strong.

### **Saving Postage**

Not only should loss of postage through petty thieving be watched, but in concerns where different departments are apt to write to one person, a method for accumulating in the mailing room all the day's mail going to one person should be adopted. The usual practice is to build a series of pigeon holes, one hole being assigned to a branch office or a correspondent to whom many letters are sent. The day's letters are distributed among the various pigeon holes and as many as possible placed in one envelope at night.

### **Foreign Postage**

It would surprise a great many American business men if they knew how much foreign business is lost through the failure to attend to such details as placing enough postage on foreign letters. The South American trade is especially disgusted with its dealings with American exporters because of the fact that on almost every letter that is received the South American business man is obliged to pay excess postage. A distinctive colored envelope for foreign letters, or an envelope with the words "this is a foreign letter, 5 cents half ounce," printed in the upper right hand corner is used by some concerns to overcome the foreign postage evil. Many concerns make it a practice to use the 5-cent rate on all foreign mail, even though the rate to England and some other countries is only 2 cents. The loss in postage, they calculate, is less than the possible loss in business due to the annoyance caused by insufficient postage.

### **Saving Telegraph Cost**

Night letters to branch offices, salesmen, supply houses and others to whom telegrams are frequently sent may be collected in the same way that mail is accumulated. The Marshall Field

Company, for example, has all messages to be telegraphed sent to one official, who collects them and compiles them in one night letter for each person to whom otherwise several telegrams might be sent.

### Petty Cash Thieving

The petty cash fund is another source of revenue for unscrupulous boys, especially in obtaining "car fares" to go around the corner or down the hall and back. The "errand voucher" mentioned above, together with petty cash vouchers signed by heads of departments only, will also aid in preventing petty thieving of this sort. No pains should be spared to make these minor systems guarding against petty losses as "fool proof" as possible.

### Other "Little" Things

Perfection in office management is difficult of achievement, and it is doubtful whether there is an office in the country that can claim that distinction. In most every office there are little wastes, little emergencies which more often than not are too minute to warrant the attention of the office head. This can be said usually of a small office. But as soon as an office force grow beyond the hundred employees stage there is hardly a detail that is too small to warrant careful watching, either through routine checking or occasional inspection.

One of the faults frequently found is that of continuing records which were at one time established for temporary purposes. In the recent investigation by the President's "Economy and Efficiency Commission" clerks were discovered writing up thousands of volumes of useless records. No one seemed to know why the records were being made. "They had always been doing it."

Simple little matters, such as using a rubber stamp instead of handwriting or typewriting; making copies on a cheap duplicator instead of using good carbon paper for copies that need not necessarily be perfect in appearance, using care in the handling of postage and distribution of office supplies—these



little things require attention in the general scheme of management which makes for efficiency. In one office, for example, a narrow wastepaper basket which fits snugly between two desks, but which is three inches higher than the desks, prevents important papers from falling into the baskets, and at the same time provides enough space so that even in a publishing house where five publications are handled there is not a scrap of paper on the floor.

The Westinghouse Air Brake Company has made a study of its office forms with respect to the starting point on the typewriter. Instead of starting at half a dozen or more different points when filling in blanks, forms are so arranged that in many cases there is only one starting point and in no case are there more than three. This, of course, minimizes the attention which must be paid to the mechanical features of an operator's work and naturally increases her speed.

Another concern supplies office employees with fountain pens, thus doing away with ink wells, eliminating spoiled records through the tipping of ink wells and minimizing the pen point nuisance—not to mention the time that is saved.

One manager has found it expedient to have one-third of his force go to luncheon at twelve, one-third at half past twelve and the remainder at one. Since adopting this practice he has found a general tendency among the employees to confine themselves to the half hour allowed them for luncheon, whereas formerly when all the force were supposed to stop at half past twelve and to begin at one there was a tendency for them to begin to get ready before the specified time and to be slow in getting back to work when the luncheon period has elapsed. The tendency is, however, to establish a common lunch hour for all office employees. This plan insures the presence of all the employees during all the working hours.

One concern found it profitable to have all employees put in their requisitions for supplies before ten o'clock in the morning. That gave the stock clerk the rest of the day to do his routine work.

The use of "window envelopes" has become almost general practice, especially for the mailing of invoices, statements, forms and the like. By folding the sheet properly the name and address can be seen through the waxed tissue paper, thus avoiding the typing of envelopes. In offices where thousands of envelopes are addressed weekly the window envelope will save several hundred dollars in the course of a year. Government stamped envelopes also save much time which would otherwise be necessary in stamping envelopes.

Many concerns distribute enough sharpened pencils for the day's use early in the morning and collect them at night. Pins are cheaper than clips for fastening papers to be kept in the office; but they should not be sent through the mails. Better still is the practice of fastening papers together with a clipless fastener.

There are a hundred and one little ways of "brushing up" the finer details of office organization. They all require constant study and the co-operation of the force in suggesting improvements. The efficient office manager learns to distinguish between pure red tape and a time or money saving system or plan. The author found in one office that copies of incoming letters, requiring the attention of two or more departments, were made and distributed to the departments interested. The time required doing this every day represented an enormous waste of effort. Afterward the plan was discarded and the simple method of referring the letters from department to department with rubber stamp notations was adopted, finally sending them to the person who was to answer the letter.

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# **PART III**

## **OFFICE RECORDS AND SYSTEMS**

## **PART III**

### **CHAPTER XIV**

#### **CORRESPONDENCE FILING**

##### **General**

A school boy can go into any of the large metropolitan public libraries and without much difficulty select and find almost any book he wants. The variety of subjects in a library far exceeds the variety in the ordinary business house. Yet there is considerable confusion in the filing departments of most business concerns.

The fundamental reason is the fact that usually an office boy or an \$8 a week girl, with absolutely no training in classification and filing, is assigned to the important position of file clerk. The importance of filing, as a matter of fact, has been minimized except in some of the large concerns, where the failure to find important papers has forcibly brought to the attention of the officials the necessity of a change in policy in this respect.

##### **Files Serve Two Purposes**

The files serve two important functions: First, they relieve executives and employees of the necessity of keeping in or on their desks letters and papers to which they expect to refer at some future time; second, the file is or should be a means of definitely and quickly locating correspondence or memoranda in the office. There seems to be no difficulty in making the files serve the first function, although even here trouble is experienced. The department head in many offices seems to adhere to the practice of keeping important letters in his desk

so that he will be "sure to find them when they are wanted." If his reason is valid, something is wrong with the files. A competent filing system will produce correspondence more quickly than if it were hidden away among a lot of miscellaneous papers in the drawer of some desk. The most serious difficulty, nevertheless, seems to be the failure to locate papers that are wanted.

### **Elements of a Good Filing System**

One of the first things to be done in order to insure an efficient filing system is to insist that papers go back to the files as quickly as possible. There should be no correspondence, no memoranda lying about loosely or packed away in the drawers of desks.

The second important element of a good filing system is a competent person in charge. It is worth from \$75 to \$200 per month, depending upon the size of the concern, to know that any papers in the files can be produced at a moment's notice. A capable young woman or young man with library training should be employed and should be given complete responsibility for the proper handling of the files.

### **Central Filing System**

This statement leads to the question as to whether it is wiser to centralize the filing system in one department or to let each department conduct its own files. Specialization and concentration of duties is the rule in business to-day. The rule also applies to the filing of correspondence. In a business of ten or more departments, separate files are frequently handled by ten different boys or girls with as many ideas. The question as to where any particular correspondence belongs must be decided between them. The situation becomes further involved by the tendency of the head of each department to make sure that his files contain all the correspondence that may possibly be of use to him regardless of whether the need of some other department is greater.

### **Make One File Clerk Responsible**

If all the correspondence is concentrated in one department under one responsible head, delay and confusion is eliminated. A capable file clerk, having studied the advantages and disadvantages of various systems in use and having analyzed the local filing problem, will apply the system or systems best adapted to the existing conditions. If a doubt arises as to the proper filing of any given piece of material, such a person, aware of his responsibility in producing the data later, will make sure to select the most likely of two or more places, building cross references for the others.

Not only should the file clerk be held strictly responsible, but he should also be clothed with authority. Too often an official who has had absolutely no training in filing will attempt to find material for himself and failing in his mission place the fault upon the system. Occasionally he will become pig headed and order the system changed. As a matter of fact the fault was his because he did not know how to use the system. The trained clerk did. "But," you will say, "the file clerk is not always on hand; what shall we do at an important evening conference when certain papers are wanted immediately?" The answer to that is found in the office manual, in which there should be a complete description of the system of filing in use. The system should not be so complex that it cannot be easily described in an office manual so that any one can understand it. We have libraries with their card indices which are used by the general public to look up to. Except in very special cases no correspondence should be taken from the files except by the file clerk or his assistants. In addition, the file clerk should have sufficient authority to go to any employee of the company who has correspondence and demand it for the files if the immediate use for it has ceased. Only by adopting such adamant rules can a filing system thoroughly serve its purpose.

### **Filing Equipment**

The first file we know anything about was the stick or spindle file with its sharp point sticking in the air. This was fol-

lowed by the box file, containing an index of 25 or 26 pieces of manila paper, tabbed with the letters of the alphabet and fastened into a box at one side, the papers being filed between these sheets.

The flat file came next. This was based on almost the same principle as the box file except that a drawer was used and only one division of the alphabet placed in each drawer. These divisions were further subdivided to allow for closer range in filing.

The latest development for filing is the vertical file and it would seem that this efficient method of filing correspondence has come to stay for some time, although some concerns still use the pasteboard, cloth covered box files. Except in isolated cases the vertical file cabinet either in wood or metal has become the standard equipment.

### Alphabetic System

There are seven systems of filing correspondence:

- Straight Alphabetic,
- Subject or Topical Alphabetic,
- Geographic,
- Chronologic,
- Numeric,
- Subject Decimal System,
- Combined Alphabetic and Numeric.

The alphabetic system is the simplest, and is therefore the most easily understood. For that reason it is more commonly used than any other. The file is divided into twenty-five, forty, eighty, one hundred twenty, one hundred sixty parts or more. The twenty-five part division contemplates one part for each letter of the alphabet. All correspondence and memoranda from or to persons, individuals or concerns, whose names begin with the letter A are placed in the first division, those whose names begin with the letter B in the second, and so on. Under each division letters are further filed alphabetically. For example, Aaron would precede Abner; Brown would precede Buckner. Where more than the twenty-five parts are used, the addi-



tional divisions are classifications of each letter of the alphabet. Thus, B might be divided into five parts, from Ba to Be, from Be to Bi, from Bi to Bl, from Bl to Br, from Br to By.

The advantages of the alphabetic system are: There is only one place for each letter (provided the name under which each letter is to be filed is certain); no index of any kind is required beyond the divisional guide used in the filing drawer. On the other hand it is not always clear whether a letter should be filed under the name of an individual or of his company. This results very often in two files for correspondence with the same person. The opportunity for errors in filing alphabetically are frequent. There are few alphabetic files, unless kept by an expert, in which there are not numerous misfiled letters.

### Subject or Topical System

Some concerns file all their correspondence according to the subject of each letter. Some one decides the name of the subject in each case and writes it in a corner in lead pencil. It is then filed alphabetically according to that subject.

Such a system is apt to be confusing. Frequently the same subject is not chosen for two letters with one correspondent concerning the same matter. The system is more commonly used temporarily to gather data for future publication. For example, if one were writing a book all the correspondence, notes, illustrative material and the like would be filed topically according to the various chapters or sections.

### Geographic Filing

It is sometimes advisable, though rarely, to file correspondence according to branch offices or sales territories. Ordinary correspondence should never be filed this way. Where the system exists it is usually due to the over-influence of the sales manager who under-estimates the importance of the other departments. The only correspondence which may be properly filed geographically is the direct correspondence with branch or territory managers.

### Numeric Files

In many cases it is convenient and advisable to assign a number to all persons with whom correspondence is had. The method is to assign these numbers arbitrarily in consecutive order as new papers reach the file clerk's hands. If there is no number for John Jones, from whom a letter has just been received and is to be filed, he is given a number immediately. An index card (preferably three to five inches in size), usually numbered in advance, is filled in; the name, local address, town and state being inserted. The card is then filed alphabetically in a card index tray or drawer. The paper to be filed is marked with the assigned number in the upper right hand corner, and is filed in a correspondent's manila folder bearing the same number. This system is of advantage in cases where only one sale is made to each customer. In such cases the same number is used for all the records in connection with this customer's transaction. Card or loose-leaf ledger sheets, original orders, shipping orders and all other records are filed numerically, so that the alphabetic index controls three or four different files, in addition to the correspondence file. In the ordinary business where sales are made to one customer from time to time, the only advantage is the fact that it is easier to file numerically than it is to file alphabetically. This, however, is offset by the disadvantage of looking up the alphabetic index whenever the correspondence is desired.

In filing numerically there are usually a number of correspondents with whom only one or two letters are exchanged. It is argued that in such cases the expense of an individual folder is unwarranted. This situation is overcome by placing miscellaneous sections in the drawers with the correspondence folders, each miscellaneous section containing ten numbers. The correspondence insufficient to warrant special folders is filed in these sections in numerical order, there being, however, "skips"; correspondence No. 341 might be followed by correspondence 352, the intervening appearing in the regularly numbered folders. The number on the index card in such instances is prefixed

with the letter M, showing that the correspondence is miscellaneous and therefore will be found in the miscellaneous section of the file. This, however, is, on the whole, unsatisfactory. Where the numeric system is used it is much better to use a folder for each correspondent.

### Chronologic Filing

Chronologic filing has almost vanished from use. Occasionally there are instances where it is advisable to employ a modified chronologic system; for example, in corresponding with salesmen. It is frequently convenient to maintain for each salesman a separate filing section consisting of perhaps a dozen folders for a year's correspondence. In these sections correspondence is filed chronologically.

### Decimal Filing System

The majority of public and private libraries are catalogued under what is known as the Dewey Decimal classification.

This classification divides the field of human knowledge into nine main classes, the tenth class covering cyclopedias, periodicals, and other works of so general a character that it would be impossible to put them under any one of the other nine classifications.

Each one of the ten main classes is subdivided into ten or more such classes by the addition of another digit to the right of the class number. To illustrate, let us take the regular library classifications:

000	General Works	500	Natural Science
100	Philosophy	600	Useful Arts
200	Religion	700	Fine Arts
300	Sociology	800	Literature
400	Philology	900	History

Taking the division of Useful Arts, it would be further divided into ten parts:

600	Useful Arts	650	Communication, Commerce
610	Medicine	660	Chemical Technology

620 Engineering	670 Manufactures
630 Agriculture	680 Mechanic Trades
640 Domestic Economy	690 Building

From this group, if we were to select the subject of Engineering, we would find that it resolved itself in a third arrangement:

620 Engineering	626 Canal Engineering
621 Mechanical Engineering	627 River, Harbor and General Hydraulic Engineering
622 Mining Engineering	628 Sanitary Engineering, Water Works
623 Military and Naval Engineering	629 Other Branches of Engineering
624 Bridges and Roofs	
625 Railroad and Road Engineering	

Railroad companies and other institutions dealing with a large variety of subjects have applied the principle of decimal classification. These concerns have, however, developed their own primary, secondary and minor divisions. For example, the Williams method\* standardizes the entire system in a railroad. It divides all correspondence into the following general divisions:

0 General	5 Transportation and Storage
1 Executive Department	6 Traffic
2 Finance and Accounts	7 _____
3 Railway	8 _____
4 Equipment and Shops	9 Local Facilities and Affairs

The first figure of any file number refers to one of the above divisions, and indicates the department to which the correspondence belongs.

These divisions are sub-divided and the sub-divisions are again sub-divided as many times as necessary. For example, No. 6 may be sub-divided as follows:

60 Traffic Rates, etc., General	63 Baggage
61 Passenger Traffic	64 Mail
62 Freight Traffic	65 Express

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\*"R. R. Correspondence File," by W. H. Williams, Assistant Secretary Baltimore & Ohio R. R. Co.

No. 62, for example, is further sub-divided:

620 Freight Traffic	623 Products of Mines
621 Products of Agriculture	624 Product of Forests
622 Animals and Animal Products	625 Manufacturing

No. 621 sub-divided into:

621.1 Canned and Bottled Goods	621.4 Fruit and Vegetables
621.2 Groceries	621.5 Tropical Products
621.3 Grain and Grain Products	621.6 Nuts
	621.9 Others

There may be other sub-divisions such as 621.3 into:

621.301 —————	621.31 Wheat
621.302 Hay	621.32 Corn
621.303 Straw	621.33 Oats

The figure 0 is used only to denote general subjects. "Seeds" is general as contrasted with "Wheat," "Corn," "Oats," etc. Hence, it is represented by the sub-division 401, while "Wheat" is given the sub-division of 1.

To illustrate how the filing would be done, take an imaginary case. Suppose you are corresponding with John Smith concerning the providing of cars for moving his corn crop. By turning to the card index you would find that the number for correspondence dealing with corn is 621.32. In the drawer or box numbered 621.32 the correspondence would be found in its proper alphabetical place.

The decimal system requires the services of an expert with a thorough knowledge of all the branches of a concern's activities. It is too scientific for ordinary use.

### Combined Alphabetic and Numeric System

It is easy to *file* numerically, but easy to *find* alphabetically. To combine the two features in a filing system has long been the aim of filing experts. They finally evolved a combination which is being satisfactorily used.

The entire alphabet is divided into a given number of

parts, say forty, and a number is assigned in consecutive order to each division in rotation, these numbers representing the surname or subject division of the file. This surname division is divided into ten christian or firm name divisions. For example, Br is the fifth primary division to which is assigned the number 5. All surnames beginning with the letters Br are filed in this primary division. The first or firm name will then govern the second figure in the number. Brentano's has no additional firm name or christian name. Accordingly, the figure 0 in addition to the figure 5 would be assigned. All the other names of concerns or subjects without christian or additional firm names, if there should be any, would be filed in the same division 50, but in alphabetical order. Adam Brown, on the other hand, would be filed in division 51, inasmuch as Adam's christian name begins with the better A. David Brooks would be filed in division 53, the D of the christian name being assigned to the third sub-division under 5. Names beginning with Ca would be filed under the primary division 6; thus Adam Carter's correspondence would be filed under 61.

This method is to some extent an adaptation of the Dewey Decimal system carried out in a more practical manner for the use of business concerns. The following is, perhaps, a more graphic illustration of the system:

Alphabet.	Numeric Equivalent.	Name.	Method of Assigning the Number.
Br	5	Brentano's	By arbitrary division of the alphabet.
	50	Brown & Co.	Secondary division gov- erned by the "&".
	51	Allen Brown	Secondary division "1" governed by chris- tian name, division A and B.
	52	Curtis Brandon	Secondary division "2" governed by christian name, division C.

The clerks when filing soon become accustomed to look for the number of the primary and secondary divisions. If, for example, the correspondence with Allen Brown should be filed before the correspondence with Brown & Company, the error would be immediately noticed, inasmuch as the folder numbered 51 preceding the number 50 is clearly notice that the folder is misplaced.

### Selecting the Proper Files

It cannot be said that any one system is universally the best. Each concern has conditions of its own to meet. In order to place the filing system upon an efficient basis, a thorough analysis of existing conditions is first necessary. Let us assume that correspondence must be filed for six different departments.

Purchasing Dept.

Advertising Dept.

Estimate Dept.

Service Dept.

Sales Dept.

Collection Dept.

The firm corresponds with customers, salesmen, supply houses, and with a number of other miscellaneous correspondents. Let us further assume that our firm sells portable houses. If a sale is made, only one house as a rule is sold to a customer, but further correspondence is sometimes necessary in order to instruct the purchaser in the proper erection of the house or in adjustments which must be made. Houses, we will say, are sold on the installment plan. It is obvious that the "service department" and "collection department" will have frequent reference to the correspondence with customers. The sales department may also need to refer to the correspondence from time to time. Obviously the simplest method of filing this correspondence would be to employ the numeric system, keeping all the correspondence of each customer in one place. The salesmen's files, follow-up files for the advertising department, might well be kept alphabetically, although the circumstances may warrant filing the follow-up file chronologically in tickler fashion.

It may be advisable to separate the correspondence with

supply houses. If it is voluminous enough such a separation would undoubtedly be advisable, otherwise it might be placed in a general file in which all correspondence not properly falling under any of the other heads would be placed.

Undoubtedly a number of minor files, such as application files, quotation files, advertising files containing correspondence with publishers and the like, will be necessary.

An analysis of the problem confronting the file clerk will reveal the number of divisions advisable and the method of filing in each division. One concern having perhaps forty or fifty different kinds of files and not operated under the centralized filing scheme, assigns each file a number. It publishes a booklet listing the various kinds of files, giving the cabinet numbers and stating where they are located.

### Transferring

How often and how should correspondence be transferred? The first part of the question is a matter depending altogether upon the frequency with which old correspondence is referred to.

Ordinarily, the practice is to keep correspondence in the live file for one year and to transfer it to a semi-live file, placing it in the storage file at the expiration of the second year. In many concerns, where the four-drawer sections are used, the two lower drawers are used for last year's correspondence—that is, prior to a definite date such as December 31st—and the upper row of two drawers is used for the current correspondence. At the end of the year the correspondence in the lower section is removed and placed in storage boxes, the guides being kept in place. It is usual to destroy correspondence at the end of seven years, the Statute of Limitation in the state where the concern is located governing. Some concerns, however, hold correspondence as long as twenty years. Before any correspondence is destroyed it is well to have someone examine it and select papers which may possibly be of use later.

This method of transferring correspondence cannot, however, be used in a case where the numeric files are more or less



chronological and can be disposed of in batches of, say, 100 at a time.

It is best to use a duplicate set of wooden vertical drawers, which need not, **however**, be of as excellent workmanship as live file cabinets in the office, since they are not used so frequently and in many cases are stored away out of sight. The guides should be transferred with the folders, especially if any but the alphabetic system is employed. In the latter case it is not always necessary to store away folders.

#### **What Kind of Guides Should Be Used?**

It is not economy to equip files that are used frequently with cheap cardboard guides. They soon become worn and frayed. Heavy press boards with celluloid or metal tips are to be preferred. Metal guides manufactured by the Rand Company of Buffalo are also durable and easy to handle.

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Note! For further study of the subject of filing see "Filing Systems," by E. A. Cope.

## CHAPTER XV

### PURCHASING AND STORE ROOM RECORDS

#### Four Elements

Ordinarily the purchasing department as well as the store-room is under direct supervision of the production manager. Occasionally the purchasing agent has charge of both the purchasing department and the store-room. Whatever the case may be, both departments must necessarily work in harmony and the records must be devised accordingly.

To handle the stores and supplies of a concern four different systems are necessary: First, a requisition and order system; second, a follow-up system; third, a receiving system; fourth, a system of buying-data records to which the purchasing agent can turn for information for guidance in placing orders.

#### Requisition System

Usually all the stock needed for both factory and office is kept in one part of a building in charge of a store-keeper. Occasionally, however, office supplies are separated, and in charge of a separate store-keeper. Finished goods are also frequently separated. The same fundamental principles, however, apply to the records and systems of the three divisions of the store-room.

First of all, some method of authorizing the store-keeper to issue articles out of his stock must be established. Requisitions are filled in by the various foremen in the factory and by employees in the office. They are signed by the proper officials. No stock is issued unless it is requested regularly upon such a requisition. Forms 12, A, B, C and D are sample blanks.

<b>NON PRODUCTIVE</b>		<b>No. 1901</b>	
<b>MATERIAL REQUISITION</b>			
<u>CHARGE</u>		EXPENSE ORDER NO.	ACCT.
DEPT. NO.	CONSTRUCTION ORDER NO.		
CHARGE BACK ORDER NO.		DATE	

QUANTITY	NAME OF PART	PAGE PRICE	AMOUNT

SIGNED \_\_\_\_\_
FOREMAN

DEL'D BY \_\_\_\_\_
STOCK KEEPER

<b>RAW STOCK</b>		<b>No. 51</b>	
<b>Productive Material Requisition</b>			
DEPT. _____		DATE _____	
SYMBOL	NAME OF PART		
ORDER NO.	KIND OF MATERIAL REQUIRED		
RAW STOCK PAGE	QUANTITY	PRICE	AMOUNT

SIGNED \_\_\_\_\_
FOREMAN

DEL'D BY \_\_\_\_\_
STOCK KEEPER

FORM 12

<b>FINISHED STOCK</b>		<b>No. 1</b>	
<b>Productive Material Requisition</b>			
<u>CHARGE</u>		DATE _____	
DEPT. NO.	ORDER NO.	SYMBOL	
QUANTITY	SYMBOL	NAME OF PART	AMOUNT

SIGNED \_\_\_\_\_
FOREMAN

DEL'D BY \_\_\_\_\_
STOCK KEEPER

<b>ASSEMBLY</b>		<b>No. 501</b>	
<b>Productive Material Requisition</b>			
<u>CHARGE</u>		DATE _____	
DEPT. NO.	ORDER NO.		
<b>PARTS FOR FOLLOWING ASSEMBLY</b>			
SYMBOL	QUANTITY		
NAME OF ASSEMBLY			
CHASSIS NO.			

SIGNED \_\_\_\_\_
FOREMAN

DEL'D BY \_\_\_\_\_
STOCK KEEPER

Forms 12A, 12B, 12C and 12D—Departmental Requisition Blanks.

MATERIAL												BIN CARD NO.												UNIT												MAX.		MIN.	
RECEIVED						ISSUED						ISSUED						AMOUNT		BAL.																			
DATE	FROM	QUANTITY	UNIT	PL.	AMOUNT	DATE	QTY.	ACCOUNT	AMOUNT	BAL.	DATE	QTY.	ACCOUNT	AMOUNT	BAL.	DATE	QTY.	ACCOUNT	AMOUNT	BAL.																			
<div>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31</div>																																							
NAME																					BUYER																		
ADDRESS																					RATING																		
BUSINESS																					TERMS																		
DEALER																					CONSUMER																		
Date of Quotation																					Articles		Quan.		Price		Remarks												
<div>FORM 13</div>																					<div>FORM 11</div>																		

Form 11—Quotation Record. Form 13—Inventory Stock Card.

The store-keeper after having issued the material called for on the requisitions usually files the latter temporarily according to the articles mentioned, a separate requisition being used for each kind of material. At the end of the month a report showing how each class of material was distributed during the month is made up and the blanks then filed according to numbers for future reference.

### **Perpetual Inventory**

A stock or inventory card filed topically (or numerically if a symbol system of numbering each part kept in stock is used) is kept by the store-keeper for each article carried in stock. This card (Form 13) shows the amount of goods received, issued and sometimes ordered. In some establishments the cost prices are entered on the inventory cards. The maximum and minimum quantities to be kept in stock are also indicated on the card. As a further help, "order more" slips are kept in the bins so that the person removing stock is automatically notified that more should be ordered when the minimum quantity is reached. Such a stock card system is known as a perpetual inventory. It should show at all times the exact amount of stock on hand. Physical inventories are taken from time to time and discrepancies are adjusted at such times.

### **Order System**

As soon as the stock of any given material reaches the point where it should be replenished, the stock clerk issues a requisition upon the purchasing agent. In order to save re-writing, it is customary for the stock clerk to fill in at one writing all the blanks shown in forms 14A, 14B, 14C, 14D and 14E, omitting the name of the supply house. The purchasing department, upon receiving these forms, selects the concern to whom the order is to be sent. Detaching 14E, the name of the concern, prices, and whatever additional information is necessary, is filled in on the other copies at one writing. Form 14E is stamped with a time stamp and is sent to the department

<b>PURCHASING DEPARTMENT</b>	<b>ORDER No. 84126</b>
Do not write above Line	

For Dept. _____
-----------------

<b>Chalmers Motor Company,          Detroit, Mich.          Purchasing Department</b>	<b>ORDER No. 84126</b>
Subject to conditions on the back hereof, please furnish us	

<b>For Dept.</b> Refer to this order only by the Number. No Goods will be received unless the Order Number appears on both package and Invoice.	<b>Chalmers Motor Company</b> <small>PURCHASING AGENT</small>
---	--

<b>PURCHASING DEPARTMENT COPY</b>	<b>No. 84126</b>
<div style="border: 2px solid black; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <b>FORM 14</b> </div>	

Approved By _____
-------------------

<b>RECEIVING DEPARTMENT COPY</b>	<b>No. 84126</b>

--

<b>FOR DEPARTMENT ISSUING</b>	<b>No. 84126</b>

Forms 14A, B, C, D and E—Storeroom Requisition Blanks.

INVOICE				
<b>PURCHASED</b> <b>From</b> _____ <b>Street</b> _____ <b>Town</b> _____ <b>State</b> _____ <b>Sold to</b> <b>YAWMAN AND ERBE MFG. CO.</b> <b>ROCHESTER, N.Y.</b> <b>Shipped Via:</b> _____			<b>Order No.</b> _____ <b>Billed</b> _____ <b>PURCHASES:</b> Use this form for billing material shipped on above order number only. Should form be lost or destroyed, or in case of partial shipment, write us for extra copies. No invoices will be accepted unless made out on these forms. <b>YAWMAN AND ERBE MFG CO.</b> <b>Terms F.O.B.</b> _____ <b>Discount</b> _____ <b>Days</b> _____	
<b>QUANTITY</b>	<b>MATERIAL</b>	@	<b>COST</b>	<b>TOTAL AMOUNT</b>
<div style="border: 1px solid black; padding: 10px; width: fit-content; margin: auto;">             This form is to be sent out with every order issued. Fill in the order number only, leaving balance of form perfectly blank to be filled out in full by Purchases.           </div>				
(Purchases: Do not write below this line.)				
<b>CLASSIFICATION</b> _____ _____ _____		<b>Material Received</b> _____ <b>For Dept.</b> _____	<b>O.K. to pay</b> _____ <b>When payable</b> _____	<b>Exten. Checked</b> _____ <b>Exten. Rechecked</b> _____ <b>Date Paid</b> _____
<b>PURCHASE ORDER</b>				
<b>Ship to</b> <b>YAWMAN AND ERBE MFG. CO.</b> <b>ROCHESTER, N.Y.</b> <b>To</b> _____ <b>Address</b> _____ <b>Gentlemen: Please furnish us with the material itemised below.</b> <b>Ship Via:</b> _____			<b>Order No.</b> _____ <b>Date</b> _____ Acknowledge receipt of this order at once on attached form, specifying shipping date and price of all material. Render invoice on our "Invoice" form attached. Retain this copy for your files. <b>Terms F.O.B.</b> _____ <b>Discount</b> _____ <b>Days</b> _____	
<b>QUANTITY</b>	<b>MATERIAL</b>	@	<b>COST</b>	<b>DATE OF DELIVERY</b>
<div style="border: 1px solid black; padding: 5px;">             Stencil packages: _____           </div>				
<b>YAWMAN AND ERBE MFG. CO.</b> <div style="text-align: right; font-size: small;">PURCHASING AGENT</div>			<b>FORM 15</b>	
<b>DUPLICATE ORDER</b>				
<b>Ship to</b> <b>YAWMAN AND ERBE MFG. CO.</b> <b>ROCHESTER, N.Y.</b> <b>To</b> _____ <b>Address</b> _____ <b>Gentlemen: Please furnish us with the material itemised below.</b> <b>Ship Via:</b> _____			<b>Order No.</b> _____ <b>Date</b> _____ Retain this copy in office, and file by above order number. <b>Order Ack'd</b> _____ <b>Material Rec'd</b> _____ <b>Invoice Rec'd</b> _____ <b>Terms F.O.B.</b> _____ <b>Discount</b> _____ <b>Days</b> _____	
<b>QUANTITY</b>	<b>MATERIAL</b>	@	<b>COST</b>	<b>DATE OF DELIVERY</b>
<div style="border: 1px solid black; padding: 5px;">             Stencil packages: _____           </div>				
<b>YAWMAN AND ERBE MFG. CO.</b> <div style="text-align: right; font-size: small;">PURCHASING AGENT</div>			<b>YAWMAN AND ERBE MFG. CO.</b> <div style="text-align: right; font-size: small;">PURCHASING AGENT</div>	

Forms 15A, 15B and 15C—Combined Invoice and Purchase Order System.

<b>TRIPPLICATE ORDER</b>		Order No. _____	
Ship to <b>YAWMAN AND ERBE MFG. CO.</b> ROCHESTER, N.Y.		Date _____ <small>Retain this copy in office, and file by above order number.</small>	
To Address Gentlemen: Please furnish us with the material itemised below.		Order Ack'd _____ Material Rec'd _____ Invoice Rec'd _____ Terms F.O.B. _____ Discount _____ Days _____	
Ship Via: _____		DATE OF DELIVERY _____	
QUANTITY	MATERIAL	COST	DATE OF DELIVERY
Stencil packages:		<b>YAWMAN AND ERBE MFG. CO.</b> PURCHASING AGENT	
<b>RECEIVING DEPT.</b>		Order No. _____	
Rec'v'g Slip No. _____		Date _____	
To be Shipped to <b>YAWMAN AND ERBE MFG. CO.</b> ROCHESTER, N.Y.		File this copy 5 days ahead of above date, by which time Acknowledgment of Order should be received. When same is received, enter dates of delivery below and send this form at once to Receiving Clerk.	
From Address		Terms F.O.B. _____ Discount _____ Days _____	
Receiving Clerk: As soon as material specified below is received, enter quantities, check carefully, sign below and send this form at once to office with your Receiving Slip.		DELIVERY PROMISED _____ DATE RECEIVED _____	
To be Shipped Via: _____		Delivered to _____ DEPT. _____	
QUANTITY	MATERIAL	FORM 15	
Packages are stenciled <small>(Indicate quantities, weights etc., on this side)</small>		Advertising Dept. The material specified above has been received and disposition made as directed. RECEIVING CLERK	
<b>ACKNOWLEDGEMENT OF ORDER</b>		Order No. _____	
Return this Form at once to <b>YAWMAN AND ERBE MFG. CO.</b> ROCHESTER, N.Y.		Date _____	
To Address		Return this form at once to Yawman & Erbe Mfg. Co., Rochester, N.Y., properly filled out as to dates and shipment.	
Gentlemen: Enter prices opposite all items not priced below, and specify dates upon which you will make shipment. This order is subject to cancellation if not acknowledged within 5 days.		Date Rec'd _____ Material Rec'd _____ Invoice Rec'd _____ Terms F.O.B. _____ Discount _____ Days _____	
Ship Via: _____		WE WILL SHIP _____	
QUANTITY	MATERIAL	COST	WE WILL SHIP
We Will Stencil packages:		N.B.-Do not say you will make shipment "as soon as possible" but specify the date as closely as you can.	
		YAWMAN AND ERBE MFG. CO. ROCHESTER, N.Y. Gentlemen: We will make shipment of this order on the dates indicated above and at the prices and terms specified. (Sign Here) _____ Per _____	

Forms 15D, 15E and 15F—Combined Invoice and Purchase Order System.



ORIGINAL

**Advertising Department Order**  
**from Burroughs Adding Machine Company**  
**Detroit, Michigan, U.S.A.**

Order No. **9977**

This Order No. must appear on your invoice.

To \_\_\_\_\_

Date \_\_\_\_\_

**PRINTING**

Name of Job \_\_\_\_\_

Form No. \_\_\_\_\_ Roster No. \_\_\_\_\_

Quantity \_\_\_\_\_

Stock \_\_\_\_\_

Inside

Cover

Color of Ink \_\_\_\_\_

Inside

Cover

No. Pages \_\_\_\_\_ Size \_\_\_\_\_

Binding \_\_\_\_\_

\_\_\_\_\_ Number from \_\_\_\_\_

Wrap and Label in pkgs. of \_\_\_\_\_

Proof to \_\_\_\_\_ Date \_\_\_\_\_

Imprint \_\_\_\_\_

To be delivered complete \_\_\_\_\_

Deliver to \_\_\_\_\_

Price: \_\_\_\_\_ Remarks: \_\_\_\_\_

Signed \_\_\_\_\_

**PURCHASING AGENT**

O.K.'s are given only on style and arrangement. Printers must read for typographical errors, and all printing is accepted with the proviso that inspection will show it to be letter perfect.

If printed matter deliver this order to our Receiving Department.

If cuts or photographs deliver to Advertising Department. Each package bundle or box must have written or lettered on it in plain characters both the order No. and the quantity in each package, title of job, etc.

(If delivery cannot be made according to terms of this order after you receive O.K.'d proofs, advise earliest date of delivery.)

Two conditions of this order (which no employee has a right to waive) are: First, six copies of printed matter, or proofs of cuts be delivered to the ADVERTISING DEPARTMENT. Second, that any photographs, drawings, engravings, or dies made for this order are to be the property of the BURROUGHS ADDING MACHINE COMPANY, Detroit, Michigan, U.S.A., and must be returned when goods are delivered.

Invoices will not be accepted until order is completed.

..... Please detach, sign and return this acceptance slip AT ONCE, to Advertising Department, Burroughs Adding Machine Company.

**BURROUGHS ADDING MACHINE COMPANY, DETROIT, MICHIGAN**

GENTLEMEN:—We have received and accepted this order subject to all conditions specified.

Order No. **9977**

Signed \_\_\_\_\_

Original of Forms 16A, 16B, 16C and 16D. A is Original, B for Advertising Department, C for Department Ordering, and D for Receiving Department. Printing Purchase Order System.

## PURCHASING AND STORE ROOM RECORDS 245

which originally requested the material. This acts as a notification that the goods have been ordered.

Form 14A is retained in a 5 x 8 tickler file in the purchasing department and serves as a follow-up record. Form 14B is sent to the supply house and serves as a purchase order. Form 14C is filed alphabetically in the purchasing department and the receipt of various part shipments of the order are entered on the back. Form 14D goes to the receiving department notifying it that these goods are on order. The department which is to receive it is shown in the lower left-hand corner, and, naturally, when the goods come in the receiving clerk knows what to do with them.

There are many different order systems in use, the number of forms and styles depending upon the nature and size of the business. Forms 15A, 15B, 15C, 15D, 15E and 15F, for example, illustrate a system comprising the drawing up of the original invoice for the supply concern. Copies C and D are retained in the office, the former being filed alphabetically and the latter numerically to furnish a cross reference to all orders issued. The practice of compelling supply concerns to render invoices on a special form such as this is frowned upon by many business men. It interferes with the routine of the concern making shipment. It is held that it is no more right for the buyer to insist upon the adherence to certain special instructions at the expense of the seller than it would be right for the seller to reverse the situation.

### Ordering Printed Matter

An interesting order system designed to dispose of many of the inaccuracies commonly found in the ordering of printed matter deserves mention here. Forms 16A, 16B, 16C and 16D are filled in by the person desiring booklets, photographs, cuts, engravings, etc. After being approved by the department head and signed by the purchasing agent, the original form (Form 16A) is sent to the printer or the engraving house, and the duplicate (Form 16B) is retained and placed in the tickler file.

## Approval of Form

Roster\_\_\_\_\_

Title \_\_\_\_\_

I have examined the list of Users, Machine  
Nos. and Styles and find them correct \_\_\_\_\_ Date\_\_\_\_\_

I have examined the list of Service Stations  
and find it correct \_\_\_\_\_ Date\_\_\_\_\_

I have examined the list of Sales Offices, or  
Sales Agents and find it correct \_\_\_\_\_ Date\_\_\_\_\_

I have read the proof for errors in description  
of machines and find it correct \_\_\_\_\_ Date\_\_\_\_\_

I have read the proof and approve the form,  
layout and language \_\_\_\_\_ Date\_\_\_\_\_

I have read the proof and approve the form,  
layout and language \_\_\_\_\_ Date\_\_\_\_\_

I certify that the form No. and Roster  
No. are correct \_\_\_\_\_ Date\_\_\_\_\_

I certify that the examples of work are  
figured correctly \_\_\_\_\_ Date\_\_\_\_\_

**File in the Roster.**

**FORM 16E.**

**Original of Forms 18A, 18B, 18C, 18D and 18E. Receiving Reports.**  
(See pages 248 and 249.)

Steel signals are used to indicate the date on which the material is expected. The third copy (Form 16C) goes to the department which ordered the goods. Form 16D is sent to the receiving department as instructions to the receiving clerk to deliver the goods to the proper department.

Before the order goes out of the office an approval sheet (Form 16E) is filled in by all the departments who are interested in any statements made in the booklet, circular or other printed matter. For example, if reference is made to service stations in Ohio, the head of the service department will note his approval or corrections in the proper space on the "Approval of Form." Any other information of a similar character is approved in the same manner by the persons in possession of the necessary facts. This form obviates criticisms by department heads as to the correctness of statements made in an advertisement or in a booklet. When the order is filled, Form 16B, together with the original manuscript, proofs and corrections, and a sample of the finished work, is kept in a roster envelope.

### Receiving System

In order to insure against the payment of bills for goods which have never been received, or which are not in accordance with specifications, some system of checks must be adopted. Here again the nature and size of a business will affect the system to be used. The forms illustrated (Forms 18 A, B, C, D and E) are comprehensive enough to fit almost any condition. As soon as the receiving clerk receives a shipment of goods he goes to his file of notices (Form 14D) to ascertain where the goods belong. He then fills in the receiving reports. Form 18A is immediately sent to the general accounting department, where it is attached to the invoices which in most cases have been received; if not, the form is held until the invoices do come in. This notifies the accounting department that the goods are no longer in transit. If a bill should remain in the office for an unreasonable length of time before a report showing the receipt

•

of the material is turned over to the accounting department, investigation is immediately made and a request to trace sent to the shipper if necessary.

Form 18B goes with the goods to the inspection department, from there to the stock room, from there to the stock office, where the receipt of goods is recorded on the stock card. It finally goes to the accounting department as notification that the goods are in accordance with specifications. This form also is attached to the original invoice.

Form 18C also goes to the inspection department and is kept there as a record of goods inspected. Form 18D is sent to the purchasing department, where record is made on the back of Form 14C. It is then sent to the accounting department as notification of the purchasing department's approval. Form 18E is retained in the receiving department as record of goods received. There it serves as a basis for the furnishing of statistical reports to the officials of the company.

This system does away with the ordering of goods for personal use and obviates the necessity of having the book-keeper go through the plant to find out whether goods billed are actually received and are satisfactory.

### **Buying Data Records**

Every buyer has occasion to refer to a record of invoices from concerns with whom the house has previously dealt. Formerly it used to be the practice to mount copies of invoices in a large scrap book. The modern way is to maintain a card system called a "Record of Prices." A card is made out for every size and kind of article purchased (Form 19). In the spaces numbered 1 to 7 on Form 19, for example, are written the names of the firms from whom the particular article listed is purchased and in the columns underneath a complete record is kept of all orders and receipts. Space is provided for prices of the material and for all discounts and allowances, together with remarks as to service, quality and other matters of interest. Form 20 illustrates an interesting combination of an inventory card and a "Record of Prices."



NO. OR SIZE		ARTICLE (As per bin card)		BIN NO.		DATE		TO		MAX.	
						UNIT				MIN.	
ORDER NO.		INVOICE		MATERIAL RECEIVED				MATERIAL ISSUED			
MO.	DAY	DATE	MO.	DAY	DATE	MO.	DAY	DATE	MO.	DAY	DATE
QUANTITY	UNIT PRICE	COST INC., FT. & EX.	QUANTITY	UNIT PRICE	COST INC., FT. & EX.	QUANTITY	UNIT PRICE	COST INC., FT. & EX.	QUANTITY	UNIT PRICE	COST INC., FT. & EX.
FORM 20											
BOUGHT OF		BOUGHT OF		BOUGHT OF		BOUGHT OF		BOUGHT OF		BOUGHT OF	
1											
2											
3											
STORED AT											
REMARKS											

Combination Inventory Card and Record of Prices.







main sizes of catalogs. Each group may be given the symbolical letter A, B, C, D or E. If a catalog under any given group comes in it is given a number; these numbers are consecutive under each group. For example, a 3 x 5 catalog may be given the number A-361 (the letter indicates its group); a 4 x 6 catalog might have the same number, but would be letter B—B-361—and so on. The catalogs are then filed in vertical drawers. Standard drawers of convenient sizes are made by office equipment houses to accommodate them.

An index to these catalogs must necessarily be kept. Ordinarily, two cards are made for each catalog: First, under the subject heading; second, under the firm name. Both records may be kept in the same drawer or in separate drawers as is convenient; thus the catalog of prices on paint received from the Sherwin Williams Company would be recorded on the card for Paint. The firm name and catalog number, as well as the drawer number where it may be found, are listed on the card (Form 22). Another record would be made on the card (Form 23) filed under Sherwin Williams Company. This card would show all the catalogs in the file received from that company. Here also the drawer numbers and catalog numbers are listed.

## CHAPTER XVI

### PRODUCTION ORDER SYSTEMS

#### The Old Method

It used to be the practice when an order was received to copy it in an order book. An order number would be assigned to it. The order clerk would then copy from the order book instructions to the various departments in the factory, calling upon them to supply the parts required. This method was not only laborious, but resulted in considerable delay. At times when business was heavy it often required a week to get an order from the order department into the works. Errors were frequent. The oftener you rewrite a thing, the greater the opportunity of making an error in copying.

With the advent of modern office appliances the number of motions in handling an order has been reduced to a minimum. The order record, of which there are usually two or three copies, departmental instructions, the bill of lading, sometimes the invoice and various other records, are now made in one writing on a billing machine. Frequently as many as fifteen records are made at one time.

#### A Simple System

Take a custom tailoring establishment, for example. When a suit of clothes is ordered three departments are interested—the coat, vest and pant departments. Four slips are type-written on a billing machine at one writing; one is retained as the office record, the others are sent to the operating departments. A heavy line separates the information of interest to all departments from the instructions that go to individual

<b>COAT</b>																													
No. _____	Order No. _____ Price _____																												
COAT A.E. ANDERSON & CO.																													
COAT CUSTOM TAILORING																													
Order _____	<input type="radio"/> <b>DONE</b>																												
Goods _____	<input type="radio"/> <b>Dealer</b>																												
Mr. _____																													
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Style</td> <td style="width: 40%;">Plate No.</td> </tr> <tr> <td>Edge</td> <td></td> </tr> <tr> <td>Seams</td> <td></td> </tr> <tr> <td>Front</td> <td></td> </tr> <tr> <td>Paul Shoulders</td> <td>Fit Collar Close To Neck</td> </tr> <tr> <td>One Out Breast Pocket</td> <td>Velvet Collar</td> </tr> <tr> <td>No Out Breast Pocket</td> <td>Collar of Same Goods</td> </tr> <tr> <td>Two Inside Breast Pockets</td> <td>1/4 Lined</td> </tr> <tr> <td>Vent</td> <td>Skeleton Lined</td> </tr> <tr> <td>Inside Cash Pockets</td> <td>( Kind of Lining )</td> </tr> <tr> <td>Circum Side Seams</td> <td>Short Neck</td> </tr> <tr> <td>Buttons on Sleeve</td> <td>Long Neck</td> </tr> <tr> <td>Cuffs</td> <td>Flaps</td> </tr> <tr> <td>Remarks</td> <td></td> </tr> </table>		Style	Plate No.	Edge		Seams		Front		Paul Shoulders	Fit Collar Close To Neck	One Out Breast Pocket	Velvet Collar	No Out Breast Pocket	Collar of Same Goods	Two Inside Breast Pockets	1/4 Lined	Vent	Skeleton Lined	Inside Cash Pockets	( Kind of Lining )	Circum Side Seams	Short Neck	Buttons on Sleeve	Long Neck	Cuffs	Flaps	Remarks	
Style	Plate No.																												
Edge																													
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Inside Cash Pockets	( Kind of Lining )																												
Circum Side Seams	Short Neck																												
Buttons on Sleeve	Long Neck																												
Cuffs	Flaps																												
Remarks																													

FORM 24

<b>VEST</b>									
No. _____	Order No. _____ Price _____								
VEST A.E. ANDERSON & CO.									
VEST CUSTOM TAILORING									
Order _____	<input type="radio"/> <b>DONE</b>								
Goods _____	<input type="radio"/> <b>Dealer</b>								
Mr. _____									
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Plate No.</td> <td style="width: 40%;">Collar</td> </tr> <tr> <td>Breasted Vest</td> <td>Buttons</td> </tr> <tr> <td>Edge</td> <td>No Buckle Strap</td> </tr> <tr> <td>Remarks</td> <td></td> </tr> </table>		Plate No.	Collar	Breasted Vest	Buttons	Edge	No Buckle Strap	Remarks	
Plate No.	Collar								
Breasted Vest	Buttons								
Edge	No Buckle Strap								
Remarks									

<b>PANT</b>																													
No. _____	Order No. _____ Price _____																												
PANT A.E. ANDERSON & CO.																													
PANT CUSTOM TAILORING																													
Order _____	<input type="radio"/> <b>DONE</b>																												
Goods _____	<input type="radio"/> <b>Dealer</b>																												
Mr. _____																													
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Leg</td> <td style="width: 25%;">Waist</td> <td style="width: 25%;">Knee</td> <td style="width: 25%;">Bottom</td> </tr> <tr> <td>Top</td> <td>Side</td> <td>Hip</td> <td>Watch</td> </tr> <tr> <td>Belt Loops</td> <td>Buttons Inside</td> <td></td> <td>Peg Top</td> </tr> <tr> <td>Seams</td> <td></td> <td>No Buckle Strap</td> <td></td> </tr> <tr> <td>Inch Double Turn Up</td> <td></td> <td>Inch Hem</td> <td></td> </tr> <tr> <td>Hand Filled Bottoms</td> <td></td> <td>Flaps on Hips, Pockets to Button</td> <td></td> </tr> <tr> <td>Buckles on Side</td> <td></td> <td>Remarks</td> <td></td> </tr> </table>		Leg	Waist	Knee	Bottom	Top	Side	Hip	Watch	Belt Loops	Buttons Inside		Peg Top	Seams		No Buckle Strap		Inch Double Turn Up		Inch Hem		Hand Filled Bottoms		Flaps on Hips, Pockets to Button		Buckles on Side		Remarks	
Leg	Waist	Knee	Bottom																										
Top	Side	Hip	Watch																										
Belt Loops	Buttons Inside		Peg Top																										
Seams		No Buckle Strap																											
Inch Double Turn Up		Inch Hem																											
Hand Filled Bottoms		Flaps on Hips, Pockets to Button																											
Buckles on Side		Remarks																											

Forms 24A, 24B and 24C. Production Order System.

departments (Forms 24 A, B and C). Small carbon sheets are inserted at the top, above the heavy line, between the first and second and second and third sheets. Inasmuch as there is no carbon sheet below the heavy line, no impression is made on the second sheet of the instructions as to the style of coat, nor are vest instructions copied on the third sheet. The coat order goes to the coat department, the vest order goes to the vest department, and the pant order is sent to the pant department. Sometimes this work is done by outside tailoring establishments. Payment is made according to the piece. The tailor detaches the perforated slip at the top and obtains on it the company's receipt for the finished garment. The left-hand part of the slip may be turned in weekly or at other understood periods for payment. The lower part of the sheet is attached to the garment and eventually filed.

### The Same Idea Expanded

The American Spiral Pipe Works uses nine blanks for its order system. A copy is sent to each one of the following departments:

Testing Department	Pipe Fitting Department
Pipe Making Department	Superintendent Department
Time Keeping Department	Audit Department
Planting Department	Sales Department
Sheet Iron Department	Galvanized and Asphalting
Stock Department	

In some instances departments are interested in only part of the order. The sheets are, therefore, conveniently perforated and only those parts containing the necessary information sent.

In a business where orders are not always shipped complete—that is, where several shipments must be made in order to fill the order—a system such as that used by the American Spiral Pipe Works is as detailed as it need be made. Each department retains its copy of the order until the order is filled, in the meantime sending to the shipping or assembling department with the goods or with the part shipment a slip bearing an order

# SHIPPING ORDER

## AMERICAN SPIRAL PIPE WORKS

BRANCH HOUSE

CUSTOMER'S

ORDER No.

DATE

ORDER No.

REQ. No.

SHIP VIA

To

BILL TO

DEPT. No.

SHIP

ORDER No.

DEPT. No.

WANTED

ORDER No.

DEPT. No. 6

GROSS

NET

.....Pcs. Pipe.....

.....Fittings.....

.....Boxes.....

.....Crates.....

.....Bundles.....

Date Shipped.....

Checked by.....

DEPT. No.

WANTED

ORDER No.

Special flanges which are to be attached to pipe in above departments.

Form 25—Production Order System.

[illegible]

**Original of Forms 28A, B, C, D, E, F and G. Combined Billing and Production Order System. (See page 260 for description.)**



number, amount being shipped and balance due. The shipping department then notifies the billing department of the amount shipped, using the form described for the purpose.

### **A Complex System**

In a business like that of the National Cash Register Company, where one machine is ordered, and is necessarily shipped complete, the system can be still further expanded. The National Cash Register Company in one writing fills in acknowledgments to the agent and to the customer, order to the factory, a notice to the traffic department, two notices to the treasurer's department, two copies of the order for the order department for permanent record and follow-up, a notice to the agent advising him of credit of commission, a notice to the accounting department to credit the agent with commission, and a ledger sheet for the customer. This is probably as complete an order system as may be found.

### **Combined With Billing System**

The Yawman & Erbe Company also make out their invoices at the time their orders are entered. The forms used are illustrated in Forms 26 A, B, C, D, E, F and G. The invoice goes to the billing department and is retained there until the original order (Form 26B) is returned by the shipping department where it was originally sent. An acknowledgment of the order (26C) is sent at once to the customer and the duplicate order (26D) is retained as the order department's record. Copies are sent to the trimming department and printing department, unless the order is of such a nature that these departments are not interested. One form (26E) also goes to the shipping department and there is checked by the packers and included in the case.

### **Branch Office Orders**

Concerns having branch agents throughout the country and engaged in what might be called a multiple business—that is, dealing in a large variety of goods—have greatly simplified their order systems by doing away with the necessity of recopying the agents' orders. In some cases the branch agents

are supplied with billing machines and there make all the copies that ordinarily would be made in the home office. In other concerns, such as the Trussed Concrete Steel Company in Detroit, for example, the blanks are printed in copying ink. The agents fill in an order blank, using an hektograph ribbon, on the typewriter or with an indelible pencil. When the orders are received at the home office they are placed in a "Commercial" or "Beck" duplicator and as many copies as are required for the various departments are run off on plain sheets of paper.

This method is simple, eliminating copying by hand. It further places the responsibility for the accuracy of orders upon the man in the field.

### Assigning Order Numbers

Orders are usually received from customers in various forms—sometimes on post cards, sometimes in letters and sometimes on order blanks. If credit is approved, the order, whether in the form of post card, letter or what not, is passed to the order clerk, who proceeds to make out a full set of order forms in accordance with the system in use. This set of forms when completed is passed to the order register clerk, who registers the order on some such form as shown in Form 27. It is here that orders receive their numbers, the next consecutive number after the last one used being assigned. The individual forms of the set are then separated and distributed among the departments interested.

### Following Up Orders

A reputation for promptness in filling orders is an asset worth having. It is also important that a promise as to delivery date be conscientiously kept. It is these little things in the conduct of a business that play so important a part in its success, and it is for this reason that an efficient office is not "a necessary evil," but a business-producing part of the concern. A good order system should include a method of following up orders. Some concerns employ a promise clerk to whom this special duty is assigned. Whenever a promise is made this

NUMBER	NAME	MATERIAL ORDERED	INVOICE RECEIVED
1401			
1402			
1403			
1404			
1405			
1406			
1407			
1408			
1409			
1410			
1411			
1412			

ORDER REGISTER

FORM 27

FORM 29

FORM 28

262

clerk is charged with the responsibility of seeing that the promise is kept. If no promise is made, it is his duty to see that no unusual delay occurs in the routine filling of orders.

In some instances a card (Form 28) is made for each order. These cards are kept in a tickler follow-up file and are tickled in a manner similar to that employed by the mail order man.\* Usually, however, a copy of the order is retained in a vertical follow-up file. Thirty-one divisions—one for each day of the month—are maintained. As each order comes in the date of shipment should be estimated. The order department's follow-up copy is placed in the vertical file under the expected shipment day and automatically is brought to the attention of the promise clerk on that day. In this manner a systematic follow-up on orders in process is insured.

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\* Discussed in Chapter XVIII.

## CHAPTER XVII

### RECORDS FOR CREDIT AND COLLECTION DEPARTMENT

#### Two Divisions

Most of the business in this country is done on a credit basis. Naturally some care must be exercised to minimize as much as possible the sale of goods to irresponsible individuals or concerns; in addition, methods of keeping after people who do not meet their obligations promptly must also be adopted. The work of the credit and collection department, therefore, divides itself into two kinds: first, that of looking after "credit risks"; second, that of insuring the payment of accounts outstanding.

#### Credit Records

The work of the credit department may again be divided into three parts:

1. Obtaining reliable credit data concerning every customer on your books or likely to be on your books at some future time.
2. Filing or recording this information in such a manner that it will be on hand when it is needed.
3. Using the information intelligently when passing on a credit risk.

There are eight sources from which credit information may be obtained:

1. From your own salesman.
2. From statements submitted by customers.
3. From banks and others to whom you are referred.
4. Credit Reporting Agencies (Special Reports).

5. Dun's, Bradstreet's and other rating books.
6. Credit Leagues and Trade Associations.
7. Newspaper items and general rumors.
8. Your own books—records of previous experience.

Each industry has its own well-defined channels. No matter what the business, one or more of the above sources must be relied upon for credit information.

### Description of Credit Information Sources

Where salesmen can be depended upon to send information reports to the home office, the credit man has at his command one of the best channels to be found. As a rule, however, the salesman's ambition to sell is inimical to a conservative judgment of his customer's financial ability. Salesmen's reports are made either in his daily or periodical communications to the sales department, or upon special blanks provided for the purpose.

In opening credit relations with a new customer it is customary in some lines of business to request a financial statement showing the concern's standing in detail. A formal blank recommended for this purpose by the National Association of Credit Men is commonly used.

The credit reporting agencies, such as Dun, Bradstreet and a number of other credit houses, are used freely by credit men. These agents issue formal reports upon request, giving as much detail as they are able to gather relative to the management, assets and liabilities, dealings with other houses, etc., of an individual or a concern.

Banks are another source of information called upon when given as references.

In some industries "Credit Leagues" have been formed for the exclusive use of the league members. Meat packers, large electrical companies and other industries have evolved carefully worked out systems of exchanging credit information. It is also a common thing to find small credit associations formed of dealers in a town. Sometimes these organizations are com-

Name _____		Town _____		No. _____	
Business _____		State _____			
Salesman _____		Ledger Folio _____			
Dun	19	Brad.	19		
	19		19		
Acct. Opened <i>May 10, 1909</i>		Method of Payment Checked			
Terms	<i>30 Days</i>	How Discounts		Prompt at Maturity	C.O.D.
Credit Limit	<i>\$300.00</i>	10 Days	30 Days	Slow	Very Slow
Remarks					

**FORM**  
**30**





posed of various kinds of local tradesmen; in other instances only the dealers in one industry will club their credit interests.

In addition the news and trade papers are carefully watched and news of interest from a credit point of view is clipped. The company's own dealings with customers furnish an important basis for the granting of further credit to the customers on the books.

### How to File Credit Information

It is not only necessary that the credit man secure all this information; he must keep it in such a way that it will be at hand when wanted. The simplest form of credit record is that of placing the credit rating and other information at the top of the ledger account, whether kept in bound or loose leaf books or on cards. Form 29 is a simple ledger card showing how such credit memoranda are kept. Where there are only a few accounts it is customary for the bookkeeper to mark accounts requiring attention with a metal clip.

The best method of keeping credit information is to use a folder such as illustrated in Form 30. A large card, 9 x 14, is folded in two places; first about 5½ inches from the top, again about 11 inches from the top, leaving three inches at the bottom end. The bottom flap is folded upward and the top flap downward, forming a sort of envelope with open ends. On the outside of the top part space is provided for credit information of interest; on the outside of the bottom flap changes in rating are recorded. The thin tissue paper reports issued by the credit agencies and other memoranda are pinned to the inside of the card. Thus the credit man has a compact record with all the essential papers attached.

Sometimes detailed "ledger experiences" are entered on the back of Form 30. Form 32 is an example of a credit card used by a bank to keep track of the financial standing of borrowers.

### The Executives' File

In the larger offices where the credit man is one of the important officers of the company the credit report file illustrated

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
FIRM NAME																														
CHECK HERE TO STOP CREDIT																														
INDIVIDUAL															R.R.															
STREET															TOWN & STATE															
YEAR	SALES				DUN.				BRAD.				LOCAL				PAYS				REMARKS									
19																														
191																														
191																														
191																														
191																														
191																														
191																														
191																														
NAME															ADDRESS															
BUSINESS															LIAB.															
RESOURCES															CAPITAL															
INVENTORY															ACCTS. & BILLS PAID															
CASH IN BANK															MORTGAGES															
ACCTS. & BILLS REC.																														
DATE																														
AVERAGE																														

Notify Office and salesman IMMEDIATELY of any sale made to this concern.

Name		TRANSIENT ACCOUNT		DATE	
Address					
Terms					
Business Address					
Ship Via.					
Occupation					
Introduced by					
Terms					
Special Shipping Instructions					
Article					
FIRM NAME					
INDIVIDUAL					
STREET					
DUN.		BRAD.		SPECIAL	
BUSINESS		TOWN & STATE		R.R.	
No.		No.		No.	
Dept.					
Date Issued					

FORM 34

FORM 35

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
FIRM NAME																														
INDIVIDUAL																														
STREET																														
DUN.																														
BRAD.																														
SPECIAL																														
TERMS & LIMIT																														
DATE OF BILL																														
AMOUNT																														
STATEMENTS MAILED																														
LETTERS WRITTEN																														
REMARKS																														
DATE																														
PAYT&																														
FORM 36																														

Forms 34 and 35—Special Notice Cards. Form 36—Special Collection Card.

in Form 30 becomes too bulky for use. In such cases a small 3 x 5 card bearing the credit rating of all the customers on the books from year to year is maintained by the head of the department. Form 33 is an example of a card used for this purpose. In connection with such a record, special notice cards such as are shown in Forms 34 and 35 are often used to call to the attention of the credit man certain accounts that are only transient and should not be given permanent credit, or accounts concerning which there is some special feature requiring investigation.

#### Collection Records.

When an account becomes due some systematic method of keeping after the customer must be employed. It is customary to use a special collection card containing all the necessary information (Form 36). This card is placed together with others of its kind in a collection follow-up file. Usually a series of form letters together with enclosures (which, by the way, can also be made of considerable sales value) are sent out before any special letters are written. Frequently there are from three to six such forms, after which special attention in the way of turning accounts over to attorneys and collection agencies is demanded.

The collection correspondent in order to follow up an account intelligently must always be in possession of information as to all the transactions that have taken place with the delinquent. He should have all the correspondence and be sure that no payments have come in before his "dunning" letter is sent out. Some collection men follow the practice of keeping the original correspondence in the "tickler" file until the account is paid up or otherwise disposed of. In concerns where the amount due is for some special work—such, for example, as supplying a lot of cement for a building—this is an excellent method because there is not apt to be further correspondence. The job usually is finished, approved and closed up and nothing remains but to collect the money due.

In installment mail order houses, however, various depart-

STATEMENT

No.

NEW YORK CITY

AT SIGHT PAY TO THE ORDER OF

JOHN JONES & COMPANY

DOLLARS \$  
(WITH EXCHANGE)

VALUE RECEIVED AND CHARGE TO ACCOUNT OF

TO

JOHN JONES & COMPANY

BY

TREASURER

ACCOUNT NO.

NO PROTEST  
DETACH BEFORE PRESENTING

Form 87—Draft Drawn Upon Delinquents.

ments are constantly communicating with customers, and while the collection department is following up an account, some other department may be in correspondence concerning a complaint as to shortage, etc. In such a case it is usually advisable that all the correspondence be kept in one place. Confusion would arise if the collection department were to keep it in a special file of its own. The follow-up cards, therefore, are usually used as a tickler file and before any action is taken the correspondence is examined.

Reports from the cashier's or bookkeeping department showing the receipt of monies from delinquents should be rendered to the collection department as early each day as possible.

### **Following Up Drafts**

In some concerns, bank or express drafts are drawn upon delinquents if the account is not paid within a specified time. Frequently these drafts are held up by the banks and express companies for an unreasonable length of time. To insure prompt report it is usual to make out the drafts in duplicate, keeping one in a follow-up file (Form 37). If no report is received within the expected period, requests for advice are sent out.

### **Attorney Black Lists**

The installment houses which are obliged to resort to attorney and other collection agencies find it advisable to establish a record of their experiences with these agencies. There are a number of collection agencies throughout the country not altogether honest. A geographical card file of attorneys located in various territories throughout the country relating the company's experiences and results of investigations will eventually prove of value in selecting reliable collection agencies. A number of concerns, of course, furnish lists of guaranteed agencies, and some undertake to handle all claims turned over to them, supplying their own agents. But the experience of many collection men, unfortunately, has been that the best plan is to establish a private list of collection agents.

## CHAPTER XVIII

### RECORDS FOR ADVERTISING AND SALES DEPARTMENTS

#### Two Main Divisions

The severe competitive conditions in business to-day require advertising and selling ability of the highest order. The advertising manager must be more than a good copywriter and the sales manager more than a good talker. They must be supplied with statistical information as to past results, future possibilities and as to the men and means at their command with which they may produce results. The modern advertising and sales department is equipped with records setting forth the most minute details and summarizing these details for practical use.

To dispose of a concern's product two kinds of salesmanship are ordinarily necessary—printed salesmanship (known as advertising) and a personal salesmanship. The two go hand in hand, but differ in method. The salesman is not always a good advertiser and the advertiser frequently fails when he attempts to take the salesman's place. The office records for the advertising department will be discussed first.

Printed salesmanship is of three kinds: First, advertising through periodicals, newspapers, billboards, general publicity articles and the like; second, circularizing, such as mailing form letters, booklets and other printed matter; third, mail order which combines the first two, but, in addition, involves the systematic following up of prospective purchasers through form and personally written letters. This division is somewhat different from that made by the advertiser himself, but is neces-

Date \_\_\_\_\_

**Approved by**

**Written by**

**Figured by**

## SOURCE

1000

User

оп-

## Trial

Not Prelim	
---------------	--

**Not**

**REQUEST FOR**

**FORM 38**

FORM 39)

**G.M. & T. CO. 157671**

## PUBLICATION

ॐ नमो भगवते वासुदेवाय

[illegible]

№ 12

[illegible]

No.	of	Ad.
1	1	1
2	2	2
3	3	3
4	4	4
5	5	5
6	6	6
7	7	7
8	8	8
9	9	9
10	10	10
11	11	11
12	12	12
13	13	13
14	14	14
15	15	15
16	16	16
17	17	17
18	18	18
19	19	19
20	20	20
21	21	21
22	22	22
23	23	23
24	24	24
25	25	25
26	26	26
27	27	27
28	28	28
29	29	29
30	30	30
31	31	31
32	32	32
33	33	33
34	34	34
35	35	35
36	36	36
37	37	37
38	38	38
39	39	39
40	40	40
41	41	41
42	42	42
43	43	43
44	44	44
45	45	45
46	46	46
47	47	47
48	48	48
49	49	49
50	50	50
51	51	51
52	52	52
53	53	53
54	54	54
55	55	55
56	56	56
57	57	57
58	58	58
59	59	59
60	60	60
61	61	61
62	62	62
63	63	63
64	64	64
65	65	65
66	66	66
67	67	67
68	68	68
69	69	69
70	70	70
71	71	71
72	72	72
73	73	73
74	74	74
75	75	75
76	76	76
77	77	77
78	78	78
79	79	79
80	80	80
81	81	81
82	82	82
83	83	83
84	84	84
85	85	85
86	86	86
87	87	87
88	88	88
89	89	89
90	90	90
91	91	91
92	92	92
93	93	93
94	94	94
95	95	95
96	96	96
97	97	97
98	98	98
99	99	99
100	100	100

End of page

Name of advertisement

Name of advertisement

Name of advertisement

**Montl.**

JO 2562

mt.

number of

and per  
quality

number of

to mean  
values

mt. of

and per

JO 7000.

JO 1400.

 $\frac{\text{ml.}}{\text{of}}$ 

**Form 38—Daily Report of Advertising Returns. Form 39—Monthly Record of Advertising Results.**



sary from our point of view in order that we may be able to understand the office end of the advertising department.

### Advertising.

Before the advertiser writes a line of copy or places a single order for space, he must familiarize himself with the editorial nature of the various publications he might possibly use, with their advertising rates, the amount and kind of circulation and past results from the use of these mediums. Usually files of periodicals are kept, also circulation statements and rate cards, to supply part of this information.

Advertising campaigns are generally laid out one year in advance; sometimes six months and, occasionally, from month to month. Contracts are entered into with various publications in which advertisements will be run. The usual practice is to fill in a card for each publication. This gives full information regarding the publication, its date of issue, circulation, price of advertising, etc. The lower part of the card is provided with columns so that the size of each month's insertion together with the inquiries, sales, etc., may be recorded.

### Keying

It is important to know in planning future copy and in determining what publications shall be used as advertising media, just what the previous results of each advertisement were, in cost of inquiry and of sales. This information cannot always be obtained. If an advertising campaign is intended to create general publicity, and not direct inquiries or orders, only the general result in increased sales can be used as a guide to the efficacy of the whole campaign. The value of each medium is not definitely determined. But when the result depends upon inquiries or orders, a method of "keying" is used. By "keying" an advertisement is meant the use of some symbol in the address or in the coupon, if one is used, by which the source of inquiries will be quickly identified. Sometimes a department number or letter is used thus: Reply to Dept. "M." Again, if a concern occupies an entire block, various numbers in the block may be

Publication										Copy No.										Key No.												
Date of Issue										Space										Price												
19	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	COST PER INQUIRY
JAN.																																
FEB.																																
MAR.																																
APR.																																
MAY																																
JUNE																																
JULY																																
AUG.																																
SEPT.																																
OCT.																																
NOV.																																
DEC.																																
Additional Inquiries																																
Total Inquiries Cost Each																																
Total Inquiries Cost Each																																
Total Inquiries Cost Each																																
Total Inquiries Cost Each																																
Total Inquiries Cost Each																																

Annual Record of Advertising Results.

used; for example, "Burroughs Block 82;" some system allowing variations of this kind is necessary.

When the replies come in they are assorted according to "key" numbers by a person to whom that specific duty is delegated. An employee usually draws up a report similar to Form 38, indicating the source of each inquiry and whatever other information is desired. A card or loose leaf record for each "ad" is also kept (Forms 39, 40 and 41), showing the daily and accumulated results traceable to each advertisement. Form 41 illustrates the use of a correspondence folder. Samples of the copy used are placed in the folder and the results are recorded on the front. Recapitulations of the results of all answers to the same ad in various publications, showing the comparison of all the media used, and showing the comparisons of various ads in the same periodical are also made up monthly or at other periods (Forms 42 and 43).

These records enable the advertising man to select profitable media, and to discard those that are unprofitable. They also enable him to determine what kind and size of copy is most productive, what months in the year bring the biggest results, etc.

### Data Files

The live advertising manager equips his office with a mass of clippings, booklets, lectures—anything that may possibly be of help to him in preparing advertising copy and campaigns in the future. This data will, in time, unless properly cared for, become a useless jumble of material. If filed and indexed so that all the material pertaining to any subject in which an advertising man may be interested can be quickly found, it becomes one of the most valuable aids in the advertising department. Interesting references and anecdotes can in this way be included in the advertising copy, adding the human interest for which everybody is striving.

As articles, catalogs, house organs and items of possible future interest come to the advertising man, he turns them over to a librarian or a file clerk, who places them in correspondence



[illegible]

### Record for Comparison of Advertising Returns.

folders under topical headings. Each topic should be numbered and each piece of material under that topic should also be numbered consecutively. An alphabetical index card completely cross-referenced should be kept. This index should unerringly indicate the place where each piece of data may be found. It

# Roster of Data Files

FIGURE 10

## NUMERICAL

1-Copy Writing	66-Credit Men's Ann. Talks
2-Laysheets	67-Savings Idea and the People
3-Dragons	68-Annual Report—1912
4-Specially Advertising	69-Advertising Scheme
5-Retail Advertising	70-Books for a Business Man's Use
6-Advertising	71-What to do with the 70 Years
7-The Advertising Manager (see 123)	72-Old Characters in Business
8-The Advertising Agency (37)	73-Agency Advertising
9-Short Cuts (See 120, 127, 128, 130)	74-After the Day's Work
10-Letters	75-Natl Economic League
11-Justification	76-Natl Aas of Corporation Schools
12-Civic Morality	77-Advertising Co-operation
13-Civic Business	78-Efficiency—Getting Right Start
14-Practical Question (Talk)	79-Efficiency—Rules of the Game
15-Follow-up Ideas	80-Efficiency—What's the Use
16-Booklet Ideas	81-Efficiency—On the Road to Damascus
17-Conventional Club Talks	82-Efficiency—Fusion of Things Well Done
18-Advertising Dept.	83-Efficiency—Paper of Brain Talks
19-Education—Efficiency Schools	84-Efficiency—Says Say
20-Education—in Technical Schools	85-Efficiency—Thinker, Door & Co.
21-Education—in Advertising	86-Efficiency—One Foot Inside the Door
22-Education—Scholarship	87-Efficiency—That Letter to Hooker
23-Dates in Business	88-Efficiency—At the End of the Rainbow
24-Foreign Legislation	89-Efficiency—The Diet
25-W. G. R.—Packard—Bulletin	90-Motion Study
26-Public Service Corporations	
27-Take Ideas	
28-Education Amusements	
29-Store Management	
30-New Sale Scheme	
31-Anecdotes of Store Management	
32-Amusements (Boroughs)	
33-House Organs (49)	
34-Commission Form of Gov.	
35-Predicting Success	
36-A. N. A. M.	
37-Agency Relations	
38-Business Methods—American	
39-Business Methods—English	
40-Business Methods—French	
41-Business Methods—Japanese	
42-Business Methods—Chinese	
43-Annual Report—1910	
44-Business Methods—Anecdotes	
45-Business Methods—Anecdotes	
46-Foreign Advertising	
47-Scientific Business Management (see 70)	
48-Cost Keeping	
49-Human Nature	
50-Editorial Illustrations	
51-Aircraft Club	
52-Law Practice	
53-Charity Advertising	
54-Periodicals Literature	
55-Plans of Organization	
56-Office Systems	
57-Catalogues	
58-Bearing Programs—Special Editions	
59-Associated Ad Clubs	
60-Teaching the Art of Advertising	
61-How to Sell the Goods	
62-American Assn. for Promoting Efficiency	

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Business Methods—Anecdotes	45

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Credit Men's Ann. Talks	66

FIG. 17

is not economical in such a case to limit the cross references to as few as possible. The second or two required to fill in and file an extra card may mean the saving of an hour of some high priced executive's time later. It is not so much a matter of filing material as it is of finding it when wanted that counts. For example, a house organ should be indexed under at least three headings—under its title, under "house organs" and under the name of the concern issuing it.

[illegible]

### Record for Comparison of Advertising Returns.

The Burroughs Adding Machine Company has a permanent data roster which is kept under glass plates on top of the desks of people interested. Whenever a clipping or anything of that sort comes to their attention, and they feel that it may be of use later, they write on the material the number of the topic under which it should be filed (Figure 17).

### Cuts, Photographs, Etc

The office equipment houses throughout the country have designed cabinets for filing cuts, photographs, proofs and the like. These cabinets are equipped with shallow drawers. They do not always give satisfaction inasmuch as cuts vary in size, rendering it impossible to maintain any sort of order in the drawers. The better plan is to place cuts in heavy manila envelopes and file them in vertical file drawers.

### Display Stands

An executive must always keep in close physical touch with the work he directs. Yet he must save time whenever he can because it often costs the company more to retain his services than it does that of a dozen clerks. Therefore, while it is his brain power rather than his time the company pays for, it is true, nevertheless, that the more time he devotes to one phase of the work the less remains for another.

A factory superintendent, for example, constantly inspects machine parts, samples of partially finished or finished goods, makes comparisons between actual commodities and the like. Many a production manager's desk is littered with tools, chemicals, gears, bolts, cans, bottles and the like. The top and drawers of his desk give one the impression of a mechanic's bench rather than the work place of an executive.

The modern method of exhibiting these things is to place them on a display stand similar to those used by department stores for the exhibition of rugs, suits and the like.

The advertising manager also finds use for such a stand for copies of his current "ads," booklets and for those of his competitor. By merely leafing over the large sheets he has before



him in orderly succession, samples of the material in which he is vitally interested, and which he must otherwise cram into his desk or have an employee bring to him in separate pieces.

### Circularizing

Millions of pieces of advertising matter are sent through the mails every year. It is also true that thousands of dollars worth of this material goes into the waste paper basket. There will probably always be a certain amount of waste, but much of it can be reduced through the keeping of accurate records, enabling the man at the helm to determine with a fair degree of accuracy what kind of circular matter should be sent to given lists of names at given periods of the year.

Circular matter is sent to two kinds of lists—existing customers and prospective purchasers (popularly known as prospects). Prospects are again divided into two kinds—those who have sent in inquiries as the result of advertising and suggestions by users, and those whose names have been taken from city directories and other similar sources. Already existing customers are also considered good prospects for new models and new lines in some industries. All these prospects must be kept in such a manner that they can be used from time to time for circular work.

As inquiries come in, prospect cards are made out for the circular mailing department. They are classified in accordance with the particular classification in use and are filed geographically or vocationally as the nature of the business may demand. In one large mailing department, there are over half a million prospects' cards filed in standing desks.

In many concerns customers' cards showing the periodical sales to customers and other data of interest are kept with the prospect cards but are of a different color; more often the customers' or users' cards are kept in separate files. (Form 44.)

Lists may be purchased from directory and mailing companies, who make a business of preparing typewritten lists of names of individuals and concerns in various lines of business.

**10**

NO.	STREET	TOWN	PRICE

**FORM 44**

DATE	NAME	ADDRESS

**Form 44—Customer's Card Showing Periodical Sales.**

NAME OF LIST						
DATE	WHAT SENT	SUBJECT	QUANTITY	REPLIES	COST	SALES

**FORM 45**

**Form 45—Record of Mailing Lists.**

**3**

DATE	QUAN.	CIRC. NO.
SENT TO		
SUBJECT		
EXCLOSURES	S.C.	
COST		
POSTAGE		BOOKLETS
ENV. AND LETTERS		CATALOGS
RETURN CARDS		TOTAL
STUFFERS		COST PER PIECE
FOLDERS		COST PER M.

**FORM 46**

**Form 46—Record of Inquiries from Form Letters.**

It is a good plan to number these consecutively and to keep a card record of them (Form 45).

### Accuracy in Mailing Circular Matter

The minute details involved in mailing circular matter to prospects and customers is often attended by annoying errors which seriously effect the results. Failure to enclose a return post card, for example, will probably reduce the efficiency of a campaign 50 per cent or more.

Large concerns issue written instructions on standard "circularizing" forms. The orders are issued in triplicate, two copies going to the mailing department and one retained. The original copy may be white, the duplicate blue and the triplicate brown. When the material referred to has all been sent out, the mailing department returns the duplicate blue copy, retaining the original white for its record. The duplicate blue copy is then filed according to the territory to which the material is sent, while the brown, which was originally retained, is filed according to the number of the piece sent out. The advertising department, therefore, has a complete record of all the material of one kind sent out, and can tell just how it was distributed; it also has a complete record of all the material that went into a given territory. By comparing these figures with the results obtained (referred to below), it will be seen that valuable information is brought out.

Copies of the order sheets may be filed in a loose leaf binder and the latter placed in a vertical file drawer, thus keeping the records in compact shape.

### Keying Circulars

Form letters and circular matter is keyed in the same manner as advertisements placed in publications. It is a common practice to use one series of numbers, say from one to three hundred for advertising; another series, say, from 800 to 1,000 for letters; and still another from 1,000 up for booklets and printed matter to go with the form letters. Form letters are

Efficiency of _____		in territory of _____				Beginning _____			
MONTH	SENT OUT	INQUIRIES		TRIALS		SALES		COST	REMARKS
		NO.	%	NO.	%	NO.	%		
									FIGURE INQUIRIES % OF SENT OUT
	Total a								
	Total b								FIGURE TRIALS % OF INQUIRIES
	Total c								FIGURE SALES % OF INQUIRIES
	Total d								
	Total e								
	Total f								
	Total g								
	Total h								
	Total i								
	Total j								
	Total k								
	Total l								
	Total m								
	Total n								
	Total o								
	Total p								
	Total q								
	Total r								
	Total s								
	Total t								
	Total u								
	Total v								
	Total w								
	Total x								
	Total y								
	Total z								

FORM  
47

Annual Summary of Inquiries from Form Letters.

frequently keyed by using instead of the stenographer's initials symbol letters in the lower left-hand corner. Thus, the first nine letters of the alphabet might represent the figures from one to nine. The form letter with the initials CFI in the lower left hand corner would refer to form letter 369. Another system is to number with a numbering machine the return envelopes and coupons used. A daily report of inquiries from form letters should be tabulated in the same manner as inquiries from advertising (Forms 46 and 47).

Form 41, shown on a previous page, is also frequently used and is of considerable value in that copies of all the material sent out may be kept together with the cost and results.

Where the booklets, blotters, circulars and other printed matter are too bulky or too numerous to be kept satisfactorily in this way, the numbering system is perhaps better. Samples of the material itself are then filed in numerical order, and by noting on the record form the numbers of the material used, the samples can be quickly procured if desired.

### Charts

It has been explained in other parts of this book that charts—both graphic and tabular—are of inestimable value in determining the comparative results of various kinds of work. This applies to the advertising department as well as it does to any other. It is usual to draw up charts showing the amount of advertising given out, its cost and results. Many kinds of charts are used, depending upon the nature of the business and the information desired.

One company which operates some forty agencies employs two large charts for its circularizing work. Chart 5 shows the number and kind of printed matter mailed into each territory each month; chart 6 shows annually the total number of pieces of circular matter sent into each agency's territory, the inquiries received, the number of trials made as a result and the final sales.





### Map and Tack System

In order to give the advertising manager a sort of general conception of his whole field and what has been done in it, the map and tack system is of considerable value. A large map of the United States, divided into territories, each territory being ruled by a district manager, is commonly used. A series of colored tacks, each color representing a specific piece of information, indicates the standing of each territory, from an advertising point of view. For example, one series of tacks is used to show at a glance how many district managers, sales managers and sales agents there are in the country and where they are located.

Another series of colors shows the number of newspapers, trade papers and the various kinds of circular matter mailed to each territory. Still another series indicates the printed matter that has been ordered to go into a territory, but has not yet been mailed.

The map gives the advertising manager a quantity picture. In half an hour he can determine what territories have been neglected in the matter of advertising and what territories have been treated too generously.

### Mail Order Department

As already mentioned, in almost all advertising departments a card is made up for each inquiry received, whether in reply to advertisements or inspired by a customer. These cards are known as prospect cards and are used in one of three ways. They are either filed for general circularization work, or referred to salesmen in the field or turned over to correspondents in the mail order department. Usually the inquiries referred to salesmen are controlled by the mail order department.

Form 49 is an example of a prospect card. These cards are filed either alphabetically, geographically, or vocationally, as the circumstances may dictate. A steel signal is placed over the proper number on top of the card indicating the day on which the prospect listed is to receive further attention, either in the



Postage per Letter \_\_\_\_\_  
Cost per Letter \_\_\_\_\_  
REMARKS: \_\_\_\_\_

Month of \_\_\_\_\_  
Letter No. \_\_\_\_\_  
Enclosures \_\_\_\_\_

During Month of					
	No. Letters inL.	No. Letters out.	No. Letters inL.	No. Letters Out.	
Returns					
Pres. Etc.					
1					1
2					2
3					3
28					28
29					29
30					30
31					31

TEKK. No.

[illegible]

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way of an additional letter or a communication to the salesman. The steel signals facilitate the rapid selection of the day's prospects.

When an inquiry is referred to a salesman, a duplicate of the card is made. Form 50 is a notice showing the date on which report is to be made to the office. The signal is set on the prospect card for that date and if no report has been received from the salesman, a request is sent to him (Form 51). The number of times a referred prospect is to be called to the salesman's attention depends upon the nature of the business and upon the contract with the salesman. Usually salesmen who are on a commission basis are not followed up as closely as are salesmen who are paid salaries. The presumption is that the commissioned salesman is already furnished with enough incentive to follow every possible "lead." However, reliance is not altogether placed upon this fact; even salesmen on commission are nowadays carefully followed up by sales managers.

### Keying in Mail Order Work

The keying records already referred to are constantly used by the mail order department unless the title is given to a division of correspondents who deal only with inquiries as they are received. In that event, a record somewhat like Form 53 is used to indicate the efficiency of every letter used in the follow-up series. A separate sheet is made up for each letter, space is provided for the number of letters sent out daily and the orders they pull. This gives the mail order man information enabling him to strengthen letters that are weak or to discard them altogether, also to make the best use of letters that are obviously good result getters.

In large mail order departments it is necessary that the efficiency of each correspondent be determined. A record (Form 54), showing the number of inquiries referred to him, the number, amount and percentage of sales made by mail, the number of sales closed with the aid of the salesmen. The number of letters written and sales per letter are shown on this record. A



## THE NATIONAL CASH REGISTER COMPANY

Agent	12 Date Ent'd	County	Style	Draw	Power	Finish	Auto	C.D.	D.B.	C.R.	R.A.	2 Pfr.	No. Pfr.	Cb	EXCHANGE Dollars	Points	Kind of Business	Cash	Order
●	000	10	0000	0											0000	000	X	000	Ys
1	111	111	1111	1	M	A	Ys	Ys	Ys	Ys	Ys	Ys	Ys	Ys	1111	111	111	Ys	Ys
2	222	222	2222	2	E	B	No	No	No	No	No	No	No	No	2222	222	222	No	No
3	333	333	3333	3	ML	C									3333	333	333		
4	444	444	4444	4	EL	D									4444	444	444		
5	555	555	5555	5											5555	555	555		
6	666	666	6666	6											6666	666	666		
7	777	777	7777	7											7777	777	777		
8	888	888	8888	8											8888	888	888		
9	999	999	9999	9											9999	999	999		

FORM  
56

Hollerith Card in Sales Department.

monthly comparison indicates the progress or retrogression of a correspondent; comparison with the results of other men in the department can also be quickly made.

### **Sales Department**

The records necessary to intelligently direct a force of salesmen depend altogether upon the nature of the business. The concern handling one product does not require as detailed a lot of statistics as does the sales manager charged with the sale of hundreds of different items. Practically all sales statistics come from orders received, from reports sent in by salesmen and special analyses of the field to be covered.

It is usual to enter incoming orders in a sales register of some kind. Form 55 is a special form of register kept according to sales agents. Each sale is immediately entered on the proper sales agent's record, and all the data which will later be tabulated is recorded in the proper columns.

In many concerns the Hollerith machine is used to compile sales statistics. The register just described is the basis for the information later punched out on Hollerith cards (Form 56). The cards are daily assorted in order to provide the statistics which are described in the following paragraphs.

There is first a daily summary of the sales for each district. This is tabulated in a daily report of sales from the entire sales force. Form 57 is used for this purpose; one sheet for each district is made.

These records are compiled monthly, showing the sales, number of points made, the quota of points (a point being assigned for every \$5 of sales), the percentage of quota obtained and comparisons with previous periods (Form 58). The figures are printed in booklet form and distributed among the salesmen each month.

There is a further record for every county, showing the merchant population and the sales made in comparison with the population (Form 59). Cards (Form 60) for each industry in each district are made showing the monthly sales and number of

# ORDERS RECEIVED FROM DISTRICT NO.

TOTALS		CLASS RECORDED WITH ORDER		CLASS ONE		CLASS 100		CLASS 500		CLASS 400		CLASS 600		STRIP AND RECEIPT PRINTER	
ALL	PTB.	STYL	PTB.	STYL	PTB.	STYL	PTB.	STYL	PTB.	STYL	PTB.	STYL	PTB.	STYL	PTB.

ON 191

DRAWER		CLASS 100		CLASS 500		CLASS 400		CLASS 600		NATIONAL STRIPE FILES		CLASS 500		CLASS 400		CLASS 600		OTHER CLASSES	
DETAIL STRIP PRINTER		CLASS 100		CLASS 500		CLASS 400		CLASS 600		NATIONAL STRIPE FILES		CLASS 500		CLASS 400		CLASS 600		OTHER CLASSES	
SINGLE DRAWER		CLASS 100		CLASS 500		CLASS 400		CLASS 600		NATIONAL STRIPE FILES		CLASS 500		CLASS 400		CLASS 600		OTHER CLASSES	
ELECTRIC		CLASS 100		CLASS 500		CLASS 400		CLASS 600		NATIONAL STRIPE FILES		CLASS 500		CLASS 400		CLASS 600		OTHER CLASSES	
MANUAL		CLASS 100		CLASS 500		CLASS 400		CLASS 600		NATIONAL STRIPE FILES		CLASS 500		CLASS 400		CLASS 600		OTHER CLASSES	
STYL		CLASS 100		CLASS 500		CLASS 400		CLASS 600		NATIONAL STRIPE FILES		CLASS 500		CLASS 400		CLASS 600		OTHER CLASSES	
PTB.		CLASS 100		CLASS 500		CLASS 400		CLASS 600		NATIONAL STRIPE FILES		CLASS 500		CLASS 400		CLASS 600		OTHER CLASSES	
STYL		CLASS 100		CLASS 500		CLASS 400		CLASS 600		NATIONAL STRIPE FILES		CLASS 500		CLASS 400		CLASS 600		OTHER CLASSES	
PTB.		CLASS 100		CLASS 500		CLASS 400		CLASS 600		NATIONAL STRIPE FILES		CLASS 500		CLASS 400		CLASS 600		OTHER CLASSES	

FORM 57

Daily Summary of Sales.

[illegible]

191

[illegible]

298







pieces of various classes of machines sold. About 4,000 of these cards are filled in each month. They enable the sales manager to make almost any kind of comparison desired.

Finally the records indicated on the cards are summarized on a monthly report, the first sheet of which is illustrated in Form 61. There is space for some 500 industries on the eleven pages of the reports; only the first page is reproduced. There are fifteen of these reports, one for each district. They are type-written in duplicate, one copy being retained by the sales manager and the other sent to the district manager.

These records are accurately kept by means of the Hollerith Tabulating Machine and do not involve as much clerical work as would at first be supposed. The distributions are quickly made by clerks who have become expert in this sort of work.

#### **Recording Sales Statistics for Daily Reports**

Most sales managers conform to the practice of having salesmen send in daily reports showing the prospects or customers upon whom calls have been made and the results of the interviews (Form 62). If no sale has been made, a reason is requested. When salesmen are on a commission basis these reports form the basis for stimulating letters from the sales manager. Frequently they indicate that a salesman should be called in and given additional personal training.

If a salesman is not on a commission basis he is under closer supervision. Prospect and customer cards are made in duplicate; one is retained in the office, the other is sent to the salesman. On the back of the office copy a record of various calls made by the salesman is kept. The salesman's movements are usually directed from the home office and the duplicate copies of prospect cards (Form 63) are mailed to him before he reaches town. For example, if a circular campaign were carried on in Zanesville, Ohio, resulting in twenty inquiries, cards for these twenty prospects, together with cards for prospects previously received, would be sent to Zanesville before the salesman reached there. These cards are returned sometimes in an envelope (Form 64) and a record (Form 65) is kept of all the salesman's calls.

KINDS OF BUSINESS SOLD (GROSS FIGURES)																			
District No.		Month												Year					
		TOTAL		CLASS 100		CLASS 200		CLASS 400		CLASS 600		CLASS 1000		OTHERS					
CODE	KIND OF BUSINESS	MONTHS' TOTAL		MONTHS' TOTAL		MONTHS' TOTAL		MONTHS' TOTAL		MONTHS' TOTAL		MONTHS' TOTAL		MONTHS' TOTAL					
		SALES	POINTS	SALES	POINTS	SALES	POINTS	SALES	POINTS	SALES	POINTS	SALES	POINTS	SALES	POINTS				
2	AGRICULTURAL IMPLEMENTS																		
4	AMUSEMENTS																		
6	ART GOODS																		
8	APARTMENT HOUSE																		
10	ART STUDIO																		
12	AUCTION																		
14	AUTOMOBILE																		
16	AUTOMOBILE SUPPLY																		
42	BOATS																		
44	BOTTLING																		
46	BOWLING																		
48	BREWERY																		
50	BRIDGES (TOLL)																		
52	BROKER																		
54	BUILDING SUPPLIES																		
56	BUSINESS COLLEGE																		

FORM  
61

Monthly Summary of Sales According to Industries.



FIRM NAME		
BUSINESS	MAN TO SEE OR ADDRESS	
STREET ADDRESS	TOWN	STATE
OFFICE MGR.	PURCH. AGT.	CUSTOMER?
FACTORY MGR.	COST ACCT'T.	
NOW USING		
WHOSE COPIER?	SALESMAN	<div style="border: 1px solid black; border-radius: 50%; padding: 5px; text-align: center;"> <b>FORM 63 FRONT</b> </div>

DATE	CIRC. AGAIN?	SOLD THIS TRIP \$
QUOTATIONS, OR REMARKS		
CIRCULARIZE ON		
DATE	CIRC. AGAIN?	SOLD THIS TRIP \$
QUOTATIONS, OR REMARKS		
CIRCULARIZE ON		
DATE	CIRC. AGAIN?	SOLD THIS TRIP \$
QUOTATIONS, OR REMARKS		
CIRCULARIZE ON		
DATE	CIRC. AGAIN?	SOLD THIS TRIP \$
QUOTATIONS, OR REMARKS		
CIRCULARIZE ON		

**FORM  
63  
BACK**

Prospect Card.

REPORT of SALESMAN'S CALLS No. 556 made on.....					
by.....		at Sales Office.....			
(a)	No.	of	calls	made	on Old P.s.....
(b)	"	"	"	"	New P.s.....
(c)	"	"	"	"	F. P.s (future prospects) .....
(d)	"	"	"	"	Complaints and Installations.....
(e)	"	"	"	"	N. P.s (no prospects) .....
(f)	"	"	"	"	"N G" calls (no No. 556 encl. ....
Total No. of calls made during day.....					

FORM 64

Individual salesman's records are usually kept, giving information that will enable the sales manager to determine the fitness of a man to hold his territory or to advance to better territory. Forms 66, 67 and 68 are examples of such records.

### How Records Are Used

In addition to this statistical information, there is usually a map and tack system similar to that used by the advertising department but divided according to states. Cabinets with double drawers, a map for one state or county on each side of the drawer, are especially made for this purpose. A large map of the country is also used by some sales managers to enable them to get quantity ideas of the standing of various territories.

Charts showing the relation of sales to prospects, also the relation of cost to sales, etc., are often placed on display stands so that at salesmens' conferences comparisons may easily be made and unjustified requests for better territory or increase in salary effectively met.

All these records are designed in order to enable the sales manager to know how much business is to be had in a given

SALESMAN			OFFICE				YEAR	
Date	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE		
	O.P.N.P.F.P.C.I.N.P.	O.P.N.P.F.P.C.I.N.P.	O.P.N.P.F.P.C.I.N.P.	O.P.N.P.F.P.C.I.N.P.	O.P.N.P.F.P.C.I.N.P.	O.P.N.P.F.P.C.I.N.P.		
	Calls	Calls	Calls	Calls	Calls	Calls		
1								
2								
3								
4								
5								
6								

FORM 65

NO.		DEPT.		NAME		SALES RECORD	
		SALES	SALARY	SALES	SALARY	SALES	SALARY
19	JAN.						
20	FEB.						
21	MAR.						
22	APR.						
23	MAY						
24	JUNE						
25	JULY						
26	AUG.						
27	SEPT.						
28	OCT.						
29	NOV.						
30	DEC.						
31	TOTAL						
	YEARLY SALARY & \$						
	TOTAL						

FORM 66

NO.		DEPT.		NAME		SALES RECORD	
		SALES	SALARY	SALES	SALARY	SALES	SALARY
19	JAN.						
20	FEB.						
21	MAR.						
22	APR.						
23	MAY						
24	JUNE						
25	JULY						
26	AUG.						
27	SEPT.						
28	OCT.						
29	NOV.						
30	DEC.						
31	TOTAL						
	YEARLY SALARY & \$						
	TOTAL						

YANHAM & ERBE MFG. CO. ROCHESTER, N.Y.

Form 65—Record of Salesman's Calls. Form 66—Individual Salesman's Record.





field, what percentage of this possible business he is getting, how much could reasonably be expected, what are the reasons for good or bad sales in spots, what classes of goods sell best and why, what is the producing ability of each salesman, what are the weaknesses in his force and what strong points are there, where each agent is located, whether he should remain there or be transferred, what is the cost of sales per dollar.

The sales manager in some concerns where quotations are given on special machines or on contracts of one kind or another, usually follows up the quotations in the same manner that the mail order man follows up his inquiries. A card somewhat like Form 21 is used to watch such quotations. A metal clip placed over the proper following-up date at the top of the card indicates the time when the matter is to receive the sales manager's attention.

## **CHAPTER XIX**

### **OTHER OFFICE SYSTEMS**

#### **The Need for Employment Department**

The modern large business enterprise employs thousands of people. There are many concerns in the country employing over 5,000 men and women. Some have as many as 15,000 or 20,000 people on their pay roll. It becomes necessary, therefore to maintain a special department for the employment of help.

The typical employment manager is a keen judge of human nature and is thoroughly familiar with the needs of the business. In most cases he has come from the ranks and has had first hand experience in many of the positions he is called upon to fill. He studies the others so that he eventually becomes an expert in determining the fitness of a candidate for work he expects to do.

The usual custom is to employ both office help and factory hands in one department, although the tendency is to have a separate department for the employment of office help. This is advisable, inasmuch as office employees are or should be material for administrative positions.

#### **A Typical Employment System**

When an employee is wanted by a foreman or department head, the latter usually draws a requisition upon the employment department, just as a requisition would be drawn upon a store room for materials (Form 69). A record of the requisition is kept in the employment department. This record (Form 70)

**ORIGINAL  
OFFICE—FACTORY**

Nº

EMPLOYMENT DEPARTMENT: \_\_\_\_\_ 191—

Please employ for the \_\_\_\_\_ Department

One \_\_\_\_\_ at \_\_\_\_\_ { per week  
per hour

Description of help wanted\_\_\_\_\_

Piece-work rate _____ per hour	No longer employed
To Replace _____	Transferred to _____ Dept.
	Promoted in this department
	To be paid in full _____

## To increase the forces to secure larger output

\_\_\_\_\_ Foreman  
 \_\_\_\_\_ Dept. Supervisor  
 Permanent \_\_\_\_\_ General Supt.  
 Temporary \_\_\_\_\_

For this position I recommend the { employment  
reinstatement } of \_\_\_\_\_

Address\_\_\_\_\_

Notified	Not Notified
<p>1. <b>Notified</b></p> <p>2. <b>Not Notified</b></p>	<p>1. <b>Notified</b></p> <p>2. <b>Not Notified</b></p>

Foreman or Supervisor



a live, eligible list of applications on which we can draw at a moment's notice to fill vacancies as they may occur.

The rates for entering the service necessarily vary according to the experience and training of each applicant.

If you wish to be considered as an applicant, please reply promptly and explicitly on the enclosed form, giving ALL of the data requested, and stating the minimum salary at which you would be willing to start.

Yours truly,

.....  
Superintendent Employment Bureau.

DEAR SIR:

Replying to your letter of recent date, with reference to a position in this Company, I would suggest that you call at this office between 8:30 A. M. and 12 M., and fill out one of our application blanks. We shall then be better able to determine whether we can make use of your services.

Yours very truly,

.....  
Superintendent Employment Bureau.

DEAR SIR:

Answering your letter of recent date, applying for a position as Sub-station Operator. I have to advise that applicants for positions in the Sub-station Department are required to be not less than 21 years of age, and for the purpose of qualifying them in our methods of operation, maintenance, etc., a preliminary period of training and service is given extending over a period of several months. During this time they work ten hours a day and receive  $19\frac{1}{2}$  cents an hour during the first three months and  $20\frac{1}{2}$  cents thereafter until assigned to a responsible position as certified operator, when the rate becomes approximately \$60.00 per month for 8 hours a day, excepting Sundays. The Sunday schedule includes two Sundays on 12 hour shifts and every third Sunday off duty. A certain amount of night work is necessary in starting in the service. Rates of certified operators range from \$60.00 to \$100.00 per month.

In consideration of the training apprentices receive, they are required to sign an agreement to remain in the service of this Company in the Sub-station Department for at least one year. The Company reserves the right to terminate service and may at any time for cause within its discretion.

Applicants are required to be in good physical condition and must have good eye-sight. We do not employ applicants who are color blind unless corrected by suitable glasses. Enclosed herewith you will find a sight test form which you are requested to fill in and return with application. Applicants are required to appear before our Company Physician within two weeks after reporting for duty and take physical and vision tests to determine their fitness for entering the service of the Company.

# COMMONWEALTH EDISON COMPANY.

## APPLICATION FOR EMPLOYMENT

Name \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_ Telephone Number \_\_\_\_\_  
 Date of Birth \_\_\_\_\_ Married ? \_\_\_\_\_ Nationality \_\_\_\_\_  
 Class of Employment wanted \_\_\_\_\_ Salary Expected \_\_\_\_\_

EDUCATION	How many Years?	Name of School or College	Year and Course
Grammar School			
High School			
College			
Correspondence Course			

**FORM  
71**

### FORMER EMPLOYERS

Give the names of the firms you have worked for, beginning with the last	Position Held	Head of Dept. or Foreman	Wages or Salary	How Long Employed	Date of Leaving
Name					
Address					
Reason for Leaving					
Name					
Address					
Reason for Leaving					
Name					
Address					
Reason for Leaving					
Name					
Address					
Reason for Leaving					

Have you ever been employed by the Commonwealth Edison Co. ? \_\_\_\_\_

Have you any relatives in the employ of this Company ? \_\_\_\_\_

Introduced to this Company by \_\_\_\_\_

Before employment applicant must undergo a physical examination at the office of the Company Physician

If hired by this company, applicant must state how many persons are wholly or partially dependent upon him for support and their relations to him

### REFERENCES

NAME	ADDRESS	BUSINESS

Application Blank.

**EMPLOYMENT BUREAU  
COMMONWEALTH EDISON COMPANY  
NON-CLERICAL SERVICE**

Date \_\_\_\_\_

Mr. \_\_\_\_\_

\_\_\_\_\_ Department

Dear Sir:—

The bearer \_\_\_\_\_ is sent in response to  
your request for \_\_\_\_\_

If satisfactory, please instruct applicant to present the attached Form A. C. 6 at the office of the  
Company Physician, before reporting for duty

Please fill out blank below with all of the required data and return promptly to the employ-  
ment bureau.

\_\_\_\_\_  
Superintendent, Employment Bureau.

The Commonwealth Edison Company has elected to go under the Workmen's Compensation Act of the State  
of Illinois in order that the Company may comply with the Provisions of this Act, the following information  
is desired:

Single? \_\_\_\_\_ Married? \_\_\_\_\_ Divorced? \_\_\_\_\_

Name of applicant's wife \_\_\_\_\_

Name and ages of living children \_\_\_\_\_

Have you contributed to the support of your wife or children within five years? \_\_\_\_\_

Name and residence of parents, if living \_\_\_\_\_

Have you contributed to the support of your parents during the past five years? \_\_\_\_\_

How much? \_\_\_\_\_

Have you contributed to the support of any other relatives during the past five years? \_\_\_\_\_

Give names, relationship and approximate amount and date of contributions \_\_\_\_\_

\_\_\_\_\_  
Interviewer.

\_\_\_\_\_  
Signature of Applicant.

Conditional upon passing physical inspection the above applicant has been instructed to report for work

\_\_\_\_\_ 191\_\_\_\_ Rate \$ \_\_\_\_\_

Per \_\_\_\_\_ Classification Title \_\_\_\_\_

Department or Division \_\_\_\_\_

Remarks: \_\_\_\_\_

(Signed) \_\_\_\_\_  
Department.

Form 72—Application Blank.

**Yours very truly,**

**Superintendent Employment Bureau.**

Each candidate is requested to fill in an application blank, various forms being used in different concerns (Forms 71 and 72). In addition to the questions in the application blank, the employment manager examines the candidate as to his knowledge of the particular work that would be required in the position for which he has applied. In this man-to-man interview, most of the applications from undesirable applicants are weeded out.

[illegible]

The shrewd employment manager knows how to ask pertinent questions and how to judge the characteristics of a candidate.\* A card (Form 73) is made out and temporarily filed in an application file according to the positions applied for. This file is known as an Application File.

\* See Chapter II.



3-29-13 1M

EMPLOYMENT BUREAU  
COMMONWEALTH EDISON COMPANY

Mr. .... Date .....

..... Department.

DEAR SIR :

The bearer ..... is sent in response to your request for .....

If satisfactory, please instruct applicant to present the attached Form A. C. 6 at the office of the Company Physician, before reporting for duty.

PLEASE FILL OUT BLANK BELOW WITH ALL OF THE REQUIRED DATA AND RETURN PROMPTLY TO THE EMPLOYMENT BUREAU.

..... Superintendent Employment Bureau.

Conditional upon passing physical inspection the above applicant has been instructed to report for work  
..... 191 ..... Rate \$ ..... Per .....

Classification Title .....

Remarks .....

Signed .....

..... Department.

Form 74—Notice to Department Head.

0	2	4	6	8	10	12	14	16	18	20
0	10	20	30	40	50	60	70	80	90	100

GREEN

RED

FORM  
76

1. Do you wear glasses? \_\_\_\_\_
2. Write the name of each color under the corresponding disc.
3. At what maximum distance can you distinguish the colors? \_\_\_\_\_
4. At what maximum distance can you read the above scale? \_\_\_\_\_

Signed \_\_\_\_\_

APPLICANT MUST RETURN THIS FORM IMMEDIATELY.

Form 76—Eye Test Report.

In the meantime, letters are sent to the persons given as references, asking for information as to the candidate's record, character, etc. The letter following is used for office and professional help.

DEAR SIR:

.....has applied to us for a position and mentions your name as reference. Any information furnished us concerning the applicant's character and ability, will be treated as confidential and we shall be pleased to reciprocate the favor whenever similar information is desired.

Yours truly,

.....  
Superintendent Employment Bureau.

As soon as a requisition for an employee is received, the application file is examined. If there are any likely candidates a letter, worded somewhat as follows, is sent out asking the candidate to call:

DEAR SIR:

Please call at this office as soon as possible, regarding your recent application for a position in this Company. A vacancy has occurred in which we may be able to make use of your services, but this letter should not be construed as implying the promise of a position.

Yours very truly,

.....  
Superintendent Employment Bureau.

If there are no applications on file, advertisements are inserted in the newspapers and trade periodicals.

The applicant having passed muster in the employment bureau is sent to the department head who issued the requisition, with an envelope containing forms 74, 75, 76 and 77. If the department head approves of the choice, he fills in the lower part of form 74 and instructs the applicant to appear at the office of the company's physician with the other three forms. The medical examiner, after a physical examination, sends the application back to the employment manager with his report in a sealed envelope.

**EMPLOYMENT BUREAU  
COMMONWEALTH EDISON COMPANY  
INSPECTION OF APPLICANTS**

*Mr.* \_\_\_\_\_ *Date* \_\_\_\_\_ 1913.

*Applicant for position of* \_\_\_\_\_  
*In* \_\_\_\_\_ *Department* \_\_\_\_\_

*Please present this Inspection Order at the office of the Company Physician, Room 507, No. 28 North Market St., between the hours of 7:30 and 4 p. m. Applicants who pass inspection are required to have their photographs taken at the office of the Company's Photographer, 120 West Adams St., before reporting for duty.*

Superintendent, Employment Bureau.

The Commonwealth Edison Company has elected to go under the Workmen's Compensation Act of the State of Illinois in order that the Company may comply with the Provisions of this Act the following information is desired: (TO BE FILLED IN BY COMPANY PHYSICIAN.)

Right Eye \_\_\_\_\_ Left Eye \_\_\_\_\_ Color \_\_\_\_\_ Wears Glasses? \_\_\_\_\_  
Height \_\_\_\_\_ Ft. \_\_\_\_\_ In. Weight \_\_\_\_\_ Lbs. Hearing \_\_\_\_\_ Pulse \_\_\_\_\_  
Temperature \_\_\_\_\_ Respiration \_\_\_\_\_ Heart \_\_\_\_\_  
Lungs \_\_\_\_\_ Blood Vessels \_\_\_\_\_  
Nerve Reflexes \_\_\_\_\_ Chest—Expiration \_\_\_\_\_ In. Inspiration \_\_\_\_\_ In.  
Mobility \_\_\_\_\_ In. Romberg Test \_\_\_\_\_ Glands? \_\_\_\_\_ Hernia? \_\_\_\_\_  
Wears Truss? \_\_\_\_\_ Deformities? \_\_\_\_\_

What, if any, accidents have you sustained? \_\_\_\_\_

From what illness or diseases have you suffered? \_\_\_\_\_

When did you last consult a physician? (a) \_\_\_\_\_

(b) What for? \_\_\_\_\_

Have you ever had, or do you now have, Rheumatism? \_\_\_\_\_ Epilepsy? \_\_\_\_\_

Fits? \_\_\_\_\_ Syphilis? \_\_\_\_\_ Brain Trouble? \_\_\_\_\_

Vertigo? \_\_\_\_\_ Headache, severe, protracted or frequent? \_\_\_\_\_

Loss of weight? \_\_\_\_\_ Nephritis? \_\_\_\_\_ Paralysis? \_\_\_\_\_

Fistula? \_\_\_\_\_ Tuberculosis in any form? \_\_\_\_\_

Cough, frequent, chronic or with bloody sputum? \_\_\_\_\_

Do you now use, or have you ever used intoxicating liquors to excess? \_\_\_\_\_

Do you now use, or have you ever used habitually, chloral, morphia, cocaine, or any other narcotic? \_\_\_\_\_

Are you temperate in all of your habits? \_\_\_\_\_

Are you now in good health so far as you know or believe? \_\_\_\_\_

Do you understand all of the questions you have herein answered? \_\_\_\_\_

I, the undersigned, do hereby affirm that I have answered all of the foregoing questions truthfully, to the best of my knowledge and belief.

The above applicant <sup>is</sup> ~~is not~~ physically eligible for service in the position indicated.

Physician.

Company Physician.

Form 77—Physician's Report.

<b>COMMONWEALTH EDISON COMPANY</b> <b>EMPLOYMENT BUREAU</b>	
	Date.....191....
Mr.....	
Dept.....	
Dear Sir:	
You are hereby directed to appear at the Office of the Company Medical Examiner, 28 North Market Street, at ..... for physical inspection. <b>BRING THIS NOTICE WITH YOU.</b>	
	..... Superintendent Employment Bureau.
O. K.....	
Recalled for Examination.....	
	..... Company Physician.

**FORM 75.**

Having satisfactorily passed the medical examination and having received the approval of the department head, the applicant is instructed to report for work at a specified time. He is also given copies of whatever printed hand books and instructions applying to his work (Form 78) there may be, and is advised to read them carefully before beginning work.

<b>(EMPLOYEES ARE REQUIRED TO FAMILIARIZE THEMSELVES WITH THE CONTENTS OF THE EMPLOYEES HANDBOOK, AFTER WHICH THEY WILL SIGN THIS CARD AND SEND IT THROUGH THE COMPANY MESSENGER SERVICE TO THE SUPERINTENDENT OF THE EMPLOYMENT BUREAU).</b>	
Superintendent, Employment Bureau:	
I have received a copy of the Employees Handbook of the Commonwealth Edison Company, dated July, 1912, and have carefully studied the policies, methods and rules of the Com- pany as set forth therein.	
Signed .....	
	.....Dept.
	1M 2-24-13

**FORM 78.**

The card in the application file is then taken out and placed in a permanent file of "Applications Disposed Of," the additional remarks that may be of interest having been noted.



**FORM 81 FRONT**





### Disability Records

It is usual to keep a disability record for all the employees. Forms 79 and 80 are examples. These forms are of two colors 80 being blue, so that the rejections because of disability may be easily noted. The chief advantage of the disability record is its use for statistical purposes.

It is the practice of most concerns to keep an employees' service record. Where bonuses or prizes are paid, such a record is necessary. Even where bonuses are not paid, a service record is of value in determining the efficiency of each employee as compared with others. Promotions and increases in salary should be based upon definite recorded facts rather than upon memory or haphazard recommendations.\* Form 81 is an example of an especially complete record card. Form 82 is a record based chiefly on attendance.

Employees' records are usually filed alphabetically, although in some instances file numbers are assigned to the records after an application has been employed. Under a numeric filing system, the alphabetical file of "Applications Disposed Of" is used as an index. The applications, physical reports, correspondence are all numbered, placed in a large envelope and filed numerically in vertical drawers. The disability and service records are, in such instances, also filed numerically.

When an employee is transferred from one department to another, it is customary to issue a transfer in duplicate, one for the paymaster and one for the employment bureau (Form 83). When he resigns or is discharged a "Pay Off" slip is also filled out in duplicate—one for the paymaster and one for the employment bureau.

Inquiries are occasionally received from outside concerns as to the credit responsibility and record of service of an employee. Where requests are numerous, standard forms are used in replying to such inquiries and for obtaining some of the information. Form 84 is one example.

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\* See Chapter VIII.

# The National Cash Register Company

## TRANSFER

ORIGINAL

PAYMASTER: ..... 191...

Please transfer.....

Present work .....

Rate..... Check No. ....

D. W.	P. W.

From .....

To .....

Beginning..... A. M. .... 191...  
P. M. ....

(Class of work transferred to).....

(1)..... (2).....  
Foreman or Head of Dept. Supervisor

(3)..... Tool Supply

(4)..... Hand Tool Supply

(5)..... Foreman or Head (Dept. Trans. to)

(6)..... Supervisor (Dept. Trans. to)

(7)..... Employment Dept.

(8)..... Head of Divis'n { Necessary only in  
change of rate

(9)..... Vice Pres. { Necessary only in change of  
office rate

(10)..... Paymaster

D. W.	P. W.

New Check No..... New Rate.....

### EMPLOYEE'S RECORD IN THE DEPARTMENT FROM WHICH HE IS TO BE TRANSFERRED

Ability.....

Department..... Character .....

D. W.	P. W.

# ORIGINAL

Date \_\_\_\_\_ 191\_\_\_\_

**Paymaster :**

Pay \_\_\_\_\_ Check No. \_\_\_\_\_

Department \_\_\_\_\_ Class of Work \_\_\_\_\_

		Dollars	Cents
Hrs. worked week ending _____	Amt. _____		
Hrs. worked week ending _____	Amt. _____		
Total - - - - -			
Amount deducted for tools, books, etc. -			
Amount in full to date - - -			

Received \_\_\_\_\_

Employee's Signature

**NOTE**—All pay-off slips should be signed in the consecutive order of the figures below. The report on the duplicate must at all times be considered strictly confidential and should always be sent under seal until it reaches the Employment Department.

(1) \_\_\_\_\_ (3) \_\_\_\_\_  
Head Employment Department

(2) \_\_\_\_\_ (7) \_\_\_\_\_  
Supervisor Paymaster's Department

## TOOL AND BOOK RECEIPT

The Paymaster will deduct from the pay of the above employe the cost of tools, books, or other property listed below:

Dollars Cents			Dollars Cents		

(4) \_\_\_\_\_ (6) \_\_\_\_\_  
Hand Tool Supply Librarian

(5) \_\_\_\_\_  
Tool Supply Department

### Traffic Department

The shipping department is really the stock and traffic department. The head not only has full charge of all matters pertaining to the shipment of goods but has supervision of all the stock as well. What was said as to stock record keeping in the chapter on purchase department records also applies to stock record keeping in the shipping department with this exception—that the stock of which the shipping clerk has charge is not raw material or finished parts but manufactured stock ready for shipment; and the requisitions are the copies of orders received from the order clerk.

Aside from the keeping of stock the shipping department has to deal with freight rates, bills of lading, freight receipts and tonnage.

### Freight Rates

Express and railroad companies furnish shippers with tariffs giving the rates from the shipping point to all other points in the country on various classes of merchandise. It becomes inconvenient to consult these tariffs—especially the railroad tariffs—each time a doubt arises as to the best route. A freight rate record (Form 85) is, therefore, an invaluable institution. Instead of trying to compile this record at one time, it is more economical to fill in a card as shipments to new points are made, thus necessitating only one reference to the tariffs. The cards should show the delivering railroad and express companies, the routing marks that are to be placed on packages, the freight rates for each class of merchandise and the express rate. The parcel post rate should also be noted. These cards should be filed away in a card drawer divided according to states, the towns arranged alphabetically under each state.

It is also necessary for a shipping department to keep on file a complete section of freight tariffs to which reference has already been made. The most convenient way to keep these tariffs is to arrange them in a vertical file drawer alphabetically, according to the names of the transportation companies.

[illegible]

Form 85—Freight Rate Record.  
Form 86—Freight Claims and Tracer Record.  
Form 87—Record of Monthly Tonnage.

### Claims and Tracers

There is usually considerable delay in the disposition of freight claims and tracers. These claims are handled in a routine manner by the transportation companies, and, unless carefully followed up by the claimant, are often side tracked. Some concerns have very carefully worked out card systems (Form 86). For each tracer and each claim a card is made out and filed alphabetically under the consignee's name. A number is assigned to it and the correspondence is filed numerically. In larger concerns where claims are extremely numerous, such a system becomes useful because it reduces the bulk of papers which the claim clerk must handle. Ordinarily, it is simpler and just as effective to file carbons of claims and all correspondence in connection with them in a vertical tickler file, so that each claim will automatically come to the attention of the clerk in charge on the proper date. Another method, enabling the quick finding of correspondence without the necessity of going through several folders, is to file the claims alphabetically, using the signal system for tickling.

### Tonnage Records

Most shipping departments keep a record of their monthly tonnage, these figures being divided according to various classifications. Some concerns carry tonnage figures on wood, metal and paper; others classify their shipments into stock and special. The classification depends altogether upon the nature of the business and the information wanted. A card record—a card being used for all material carried in stock—is useful in compiling these figures (Form 87). The total weight and quantity of each article put in stock each month, the total weight taken out, and the balance on hand would be the basis upon which the monthly summary report would be made up.

To file bills of lading so that they will immediately be found, the most accurate method is to number them consecutively as they are issued. The number of the bill of lading is entered on the shipping department's copy of the original order, also upon the notice sent to the accounting department, where it is entered

on the invoice sent out. The bills of lading are then filed numerically in a vertical file of the proper size. By simply referring to the original shipping order or the copy of the invoice, proof of shipment can be located instantly.

Freight receipts, especially when the customer is charged for the freight, must be filed so that they can be found when wanted; a 6 by 9 vertical file drawer will conveniently hold them. They may be filed either geographically or alphabetically, according to the name of the consignee.

# APPENDIX



## APPENDIX

### MARSHALL FIELD & COMPANY RULE BOOK

#### The Marshall Field & Company Idea

To do the right thing, at the right time, in the right way; to do some things better than they were ever done before; to eliminate errors; to know both sides of the question; to be courteous; to be an example; to work for love of the work; to anticipate requirements; to develop resources; to recognize no impediments; to master circumstances; to act from reason rather than rule; to be satisfied with nothing short of perfection.

#### INTRODUCTION

The important part of any rule is the spirit of it. This is gained by understanding the wisdom and necessity of it, and not by mere obedience because it is a rule. No rule seems hard when we see that it is wise—worked out from experience, made necessary by existing conditions.

The object of these rules is not to abridge the rights of anyone, but to point out the path which we believe to be the wise one to follow. The traveler making his way over unaccustomed roads is grateful for the guide post which tells him the way to his destination—he never complains when the sign at the crossing tells him to go the up-hill way, for he is glad the sign is there, and obeys cheerfully because he knows he is on the right road.

We wish you to see, back of these rules, our earnest desire to conduct this great institution in the most harmonious manner; to give you the benefit of long experience; to save you the retracing of unguided steps; to enable you to grow in the knowledge of sound business principles and thus to become a credit to yourself and to the house.

MARSHALL FIELD & COMPANY.

#### Special Instructions to Beginners

Become thoroughly informed regarding that portion of the business in which you are placed. If in a selling section, learn the names and locations of the goods, their qualities, sizes, prices, for what they are used, etc.

Learn what is expected of you, and, as quickly as possible, make your actions correspond with the same. Do not hesitate to ask for information on any point of business which requires explanation.

Section Managers and Assistants will watch you very carefully and will correct you when anything in your actions, language or appearance is opposed to the general methods of this store.

The greatest courtesy is required under all circumstances—whether customers wish to purchase, or have finished and request the final care of Purchase Tickets; whether to exchange merchandise or return the same for credit; to inform themselves regarding an article on sale, or simply to visit the different sections. You will bear in mind that every person who enters the store is, in a sense, an invited guest, and should be treated as such.

In accordance with an unwritten but well understood rule you are always at liberty to call the attention of the Management to your remuneration, or your desire and ability to occupy a higher position, and any act of this kind shall under no circumstances be to your disadvantage.

## Rules and Regulations

### Hours for Business

The opening hour is 8:00 o'clock, at which time employees (with the exception of women and those whose special duties make it necessary for them to report either earlier or later) are expected to be in their respective places.

Women will report for duty at 8:30.

The closing hour is 5:30 o'clock; the bell will strike twice—

At 5:20, dismissing women.

At 5:30, dismissing all others.

The opening and closing hours are subject to change.

In addition to the above, the bell will be rung at 5:00 o'clock, at which signal those who, for any reason, are entitled to the half hour, will be excused. All women who are entitled to the last half hour may leave the sections at 4:50.

Employees under sixteen years of age are prohibited by law from working more than eight hours in any one day, and must not work at all before 7:00 A. M. or after 7:00 P. M. Section Managers and Assistants will see that this law is recognized, making such special arrangements as may be necessary.

### Employees' Entrance

In entering the store, make use of any of the doors most convenient to you; in leaving, use any of the following:

State Street Building:

Washington Street door.

Main Entrance, State Street.

Randolph Street door.

Court Door, near Randolph.

**Wabash Avenue Building:**

North door, Wabash Avenue.

Middle door, Wabash Avenue.

Washington Street door, near Court.

Outside Exit in Holden Court.

**Time Clocks**

You will register in the morning after coming from the locker room; at the hour for luncheon, you will register before going to the locker room; and upon returning, will register after going to the locker room. Under no circumstances will you allow another person to register your time for you, even though the person who would do so visits the clock with you.

We must insist that, as far as possible, you be punctual and regular in attendance. If you are necessarily delayed, and can give a satisfactory reason for the same, you may obtain an excuse from the Superintendent's Office.

**Absence**

When you know in advance that it will be necessary for you to be absent, you will arrange for same with the Section Manager or Assistant. If unavoidably detained, you will telephone, or in some other way notify the house without delay.

Should you be absent a number of days either preceding or following a holiday, the same deduction will be made for the holiday as for the other days; should you be absent on both the day preceding and the day following a holiday, the same deduction will be made for the holiday as for the other days; but if you are absent one day only immediately preceding or following a holiday (such leave of absence having been previously arranged with Section Manager), full pay will be allowed for the holiday only.

Immediately upon returning to the store, you will note carefully the cause and date of absence upon an Absence Blank, which, when properly authorized by the Section Manager or Assistant, will be taken to the Superintendent's Office. The timekeeper will deduct full time for any absence indicated upon the time clock and unaccounted for by an Absence Slip.

**Change of Address**

You will immediately report any change of name or address to the Timekeeper.

**Vaccination**

In co-operation with the Health Department of the city of Chicago, we require that each employee furnish us with a physician's certificate of vaccination, showing proper protection against smallpox.

**Manner of Dress**

Be cleanly and neat in appearance, avoiding extravagance and display. Women and girls of all Sections, Workrooms, Offices, etc., will be required

to wear black skirts at all seasons of the year. No exception can be made to this rule, even to the wearing of large or specially made black aprons over colored skirts. In fact, when any of our women leave their individual sections, they will remove their aprons and scissors. From March 15th to October 15th of each year they may wear shirt waists, in white or black (white preferred), white with black stripes or dots, black with white stripes or dots (stripes narrow and dots small), or natural color pongee or linen. From October 15th to March 15th we prefer that they wear black waists, but will not object to shirt waists as above. During extremely warm weather, round neck collarless waists may be worn, the neck to be finished with an edge of insertion. Square or V shape collars must be avoided. Waists of very sheer, unbusinesslike material over colors, or with a great amount of insertion, and black waists with pipings, plaitings, or bands of color must not be worn. Only full length sleeve waists will be allowed during business hours. Sleeve protectors may be worn by salespeople only during the time that stock work is being done; and this should never be later than 10.30 a. m. Office help and others who do not come in contact with customers may wear sleeve protectors during the day, but will remove them whenever they leave their desks, white protectors will be worn with white waists and black, with black waists.

We prefer a becoming and businesslike arrangement of the hair. Our girls and women will avoid all extreme styles of hair dressing.

Men will avoid unusual color combination of hosiery and neckwear and loud flashy apparel. When not wearing vests in warm weather they will always keep their coats buttoned.

### Bulletin Boards

The bulletin boards in the wash rooms and elsewhere are the official means of communication with employees. Hereon are posted, from time to time, notices which concern every member of the organization. It is therefore highly important that you read each notice as soon as it is posted, and act immediately in accordance with the instructions.

### Parcel Passes

All packages from outside must be taken to the Pass-Out Desk immediately upon your entering the store, and under no circumstances to your section or locker. Your lunch box, personal purchases, or any other parcel to be taken from the store, will be sent to the Pass-Out Desk as early in the day as possible. No parcel passes will be issued after 5:15 p. m.

### Passes

Never leave the store during business hours (except for luncheon) without a pass from the Section Manager or Assistant, which shall be countersigned by the Floorman. For stock-boys or stock-girls the signature of the Section Manager or Assistant is sufficient.

Never leave your section on any account without informing the Sec-

tion Manager, his Assistant, or the Floorman. Such leave of absence does not mean a "fifteen minute pass" except to inspectors, elevator men and others where such special arrangements are necessary. To all others, it means permission to leave the section for a sufficient length of time to carry out the thought for which it was granted, and employees will return as quickly as possible.

### Waste of Time

The waste of time, where so many are employed, becomes a very serious matter. For you to waste five minutes may seem of little importance, but if you will stop to think that a hundred or more may be wasting the same five minutes (and one seldom wastes time alone, but in conversation with others), you will readily see what it means to Marshall Field & Company.

Loyalty to the house necessitates that as little time as possible be spent in the wash rooms or elsewhere away from the section.

### Time for Making Purchases

You will do your shopping, for the most part, before 10.00 a. m. and after 4:00 p. m. This allows three and one-half hours each day, and exceptions to the rule should be rare. Section Managers and Assistants will co-operate in eliminating as far as possible all annoyance to customers and loss of time to the sections caused by employees doing their shopping during the busy hours of the day. When you wish to make purchases at other than the prescribed time, the Section Manager or Assistant will allow you to explain why, and then issue a card or not, as may seem best judgment.

### Courtesy Among Employees

When you are making purchases in the store, you will be treated with the same respect and courtesy that is shown to other customers. On the other hand, you will always remember how you wish customers to treat you when you are behind your own counter and will exercise no less courtesy to those who wait upon you. Should you meet with discourtesy at the hands of any other employee, you will immediately inform the Manager's Office.

You will use dignity, respect and care in addressing other employees. A careless word or an act of familiarity on your part may, in the mind of some passing customer, cause a reflection to the discredit of yourself and the one associated with you. In all cases warranting the same you will use the prefix "Mrs.," "Miss," or "Mr."

### Flowers, Presents, Etc.

The spirit which prompts the starting of a subscription for the benefit of an employee in distress, for flowers, or for the purpose of purchasing a present for someone in the house, is commendable in every way, but

we must be mindful of the fact that there are those who will give under such circumstances who are not financially able to do so. If for any reason such a subscription seems desirable or wise, employees will first consult the Section Manager or Assistant who will place the matter before the Management.

### **The Power of Example**

Older employees are expected to set a proper example of courtesy, energy, cheerfulness and enthusiasm to those around them. They will be especially courteous to new employees, assisting them in any way they can, cheerfully answering questions, and making them feel at home.

We are very desirous that a spirit of cheerfulness shall pervade the store at all times. Customers respond readily to cheerfulness on our part, and this makes every transaction of the day pass more easily and pleasantly for all concerned.

### **Deportment**

Avoid gossiping, and do not allow your friends to consume your time by visiting you. Do not indulge in conversation when upon opposite sides of the aisle, or at a distance from each other. Do not go about the store arm in arm. Whistling, singing, or humming while in the store must be avoided.

Conduct yourself very courteously in the elevators. Do not enter into conversation in the cars unless it is necessary. Under no circumstances remove hat pins from hats while in the elevators or use the mirrors for toilet purposes. Whenever possible enter and leave cars by passing to the right, allowing customers to pass first.

### **Reading Books, Etc.**

Printed books and papers, other than those relating to the business, must not be read during business hours.

### **Gum, Tobacco, Etc.**

The use of gum, tobacco, candy, fruit, nuts or lunch of any kind while on duty is prohibited. We shall immediately dismiss any who disregard this rule, and shall consider it a misdemeanor on the part of any official who fails to inform the management when same is being broken.

### **Borrowing or Loaning Money**

The borrowing or loaning of money among employees is strictly prohibited. So keenly do we realize the importance of this rule that we shall not hesitate, if we find it being broken, to dismiss both the borrower and the lender.

We also wish to caution you against borrowing money from loan agents. Should it seem to you necessary to borrow money you will first consult the management.

### **Gambling, Betting, Etc.**

Any employee who practices betting on horse races, ball games, or anything of the sort, or who indulges in the buying or selling of chances of any kind, in the store, either among fellow employees or outsiders, is subject to immediate dismissal.

Respectable and moral associations outside of business are expected. The visiting of gambling houses, whether through curiosity or with the intention of playing must be avoided.

### **Questionable Investments**

Any employee found to have advised another employee or a customer (without the consent of the house) to buy, invest in, or otherwise become interested in any stocks and bonds of mineral and oil mining ventures, to become a stockholder in or an officer of such corporation, thereby involving the name of the employee as being with Marshall Field & Company will be immediately discharged.

### **Cleanliness About the Building**

Men and boys will refrain from loitering around any of the corners of the store, and, by expectorating on the sidewalk or otherwise, giving the place an untidy appearance.

All waste paper, strings, etc., will be deposited in the receptacles provided for the same. Under no circumstances use a waste basket for a cuspidor.

An immediate dismissal, together with any fine the law will allow, will follow the detection of any one defacing the walls or in any way injuring any room in the store. To make it less easy to thus offend the eyes of others we hereby offer a reward of \$5 to the one who discovers or makes it possible for us to discover any one committing a misdemeanor of this kind.

### **Objectionable Words and Expressions**

It is preferable to use the word "We" instead of "I" in cases other than those of a strictly personal nature, as "We have it in three styles," and not "I have it in three styles."

Avoid using the single word "Busy" when responding to a call which cannot be attended to at once.

In speaking of men's goods you will refer to them as "Men's goods," and not as "Gents' goods."

Always use the word "madam," instead of "lady," in addressing women who visit the store when not familiar with the visitors' names.

Saleswomen, in waiting upon other women, will never use the expression "My Dear," or anything similar.

The word "flat" as applied to an apartment house is not pleasing, and you will substitute the word "apartment."

The question, "Charge or Cash?" will not be used. It is preferable to say, "Have you an account?" assuming that otherwise the cash will be presented.

### **Misrepresentation and Guarantee**

Misrepresentation of merchandise is suicidal to any business. We must insist that you never misrepresent any article under any circumstances. Such action on your part will subject you to immediate dismissal. Neither will you guarantee wear or color.

### **Knowledge of the Store**

Salespeople in any section should, so far as practicable, become conversant with all portions of that section by occasionally selling in each portion.

It is important that employees inform themselves relative to all parts of the building. Guides leave the Information Bureau at nearly every hour of the day and will be pleased to have you take the trip through the store with them. Employees will not go to the subway floor alone unless they have business there.

### **Assisting in Other Sections**

Salespeople will not hesitate to go from their own sections to assist in others to which they may be directed by floormen, when in the judgment of the floormen such assistance is necessary.

### **Care of Fixtures**

Any who find it necessary to stand upon the counters or other fixtures at any time must use pasteboard, or some other protecting substance, beneath their shoes.

### **Promises**

We wish to emphasize the necessity of making no promises which cannot be absolutely fulfilled. From the standpoint of the customer, a promise which is made only to be broken is worse than no promise at all; and while customers sometimes press us for definite information we must not allow that fact to lead us into agreeing to do something which will not be executed. It is far better to lose a sale than to secure it on any such basis. It is quite possible, of course, that we make a positive promise on the basis that the manufacturer gives us every assurance that he will have merchandise in our hands at a certain time and later finds that he must disappoint us. In any such case or similar condition you will immediately notify the customer either by telephone or through the Correspondence Bureau.

The statement is sometimes made that "all goods purchased on Saturday will be delivered on that day." While this is true as far as we



are able to make it so, there are necessarily exceptions to this owing to the distance, etc. Anything sold on Saturday which must be delivered on that day will be marked for special delivery.

Do not make a promise which affects any employee other than yourself except with an understanding with the other employee that such a promise is made, and let us all absolutely insist that a promise in this house is to be depended upon.

When you are pressed for positive answers as to delivery you may always obtain the desired information from the delivery card, or by consulting a floorman.

### Errors

The habitual making of mistakes will be considered cause for dismissal.

Carelessness in issuing tickets of any kind is inexcusable. Employees who do not thoroughly understand every detail of the requirements should obtain the information at once. The Study on the ninth floor is always open to inquirers in reference to any part of our system.

Salespeople will not assume that addresses which they happen to remember are correct; be certain that no change has been made.

Carbon duplicates must be perfectly legible. Pencils should be well sharpened, and carbons in good condition and carefully placed.

In cases of loss occasioned through neglect to indicate Inspector's number, through error in issuing ticket, extension of figures, or in the delivery of package or change, the loss must be made good by the one in error.

### Director of Customers

You will be very careful in giving directions to customers as to the location of merchandise. Misdirection results in annoyance, not only to the customers themselves, but to Marshall Field & Company. You will never indicate the location of merchandise by a careless inclination of the head or an indefinite motion of the hand. If the desired merchandise is sold elsewhere than in your section and you are not absolutely sure where it is to be found you will ask a Floorman, explaining to him carefully what the customer wishes.

Floormen and others must be sure that they know exactly what customers wish before giving directions. Different varieties of goods are often classed under one name, and while unnecessary questions are always to be avoided, it is often impossible to intelligently direct the customer without first ascertaining just the variety desired.

### Guides

Occasionally visitors to the city are desirous of making a trip through the store during their stay here. To such an one it is very pleasing to have an employee demonstrate sufficient interest in her, and in the house

to suggest a visit to some of the many interesting portions of the premises. Our Information Bureau will appreciate the opportunity to provide guides in cases of this kind and employees need not hesitate to send visitors there.

Customers having business with the Purchase Ticket Desk may go to the sub-basement alone, but those who desire simply to see various points of interest below the basement must be accompanied by guides.

### **Inquiries for Credit Office**

Customers asking for "Credit Office" sometimes mean the desk where credits are issued for goods that they are returning. Care should be taken not to refer them to the "Credit Division" unless it is certain that they have business with that office.

### **Indifference**

It is recognized in this store that the undue urging of merchandise upon customers is not desired, but this does not in any way mean that indifference in the slightest degree is to be permitted. Indifference on the part of employees is a very serious blight in any business, and we wish it understood that this house considers anything of the kind sufficient cause for instant dismissal. Salespeople will endeavor to serve customers immediately and not wait to be asked by either customers or Floormen. When all salespeople are necessarily busy, the one nearest the customer will excuse himself to the one upon whom he is waiting and will request the customer to be seated, assuring her that she will be cared for within a moment or two.

### **Courtesy**

All in positions of authority are requested to bring to immediate attention of the Manager's Office any and all cases in which the thought of courteous treatment to all is being disregarded—through carelessness, ill temper, ignorance of the requirements, or for any other reason.

You will have patience in serving customers, showing goods willingly and pleasantly, without asking too many questions as to price, width, size, or color.

See that every customer in every transaction is treated in a manner indicating that that immediate transaction is the chief point of interest in your mind at that time.

We receive visits from many out-of-town people, and the impression which is made upon them by a few moments' interview with our employees remains forever in their minds. If the employees are courteous and polite, the impression is good; if too short with answers or other than very attentive in actions the opposite is true. We are very desirous that visitors be allowed to see that we understand how to do business correctly, and this effect can only be had when every employee treats every visitor with careful consideration.

During the summer months Floormen will have fans conveniently located, which you may hand to customers as acts of courtesy when circumstances seem to warrant it.

### Complaints

Complaints of customers will be brought to the attention of Floormen, who will deal with them in accordance with their nature. Employees will report to the Management, or to the Superintendent's Office direct, any matters which in their judgment should be so treated.

### Public Discussion of Business Matters

While using toilet rooms which are also used by customers you will not discuss business of the house, as it is to be seen that in the presence of customers matters are likely to be referred to which include the mentioning of names and facts which concern no one outside of the store.

### Remarks Regarding Merchandise

Great damage may be done by carelessly circulating rumors to the effect that certain articles of merchandise will not be popular for some particular season, or occasion, when the fact is to the contrary. You will be very careful in this matter, and refrain from hinting such things without positive knowledge that such is the fixed tendency of fashion leaders.

### Prices

A few people seem to have the feeling that merchandise in this store is higher priced than elsewhere; a result of our efforts to do a first-class business, and to do it in the best and most thoroughly correct manner, or of the idea that, in a clean store with good fixtures and carpets, plate glass, etc., goods must be high priced. Some other people who read the fearfully exaggerated advertisements which are every day appearing, and who do not find the same comparative prices in our advertisements, assume that our prices are not as low.

Our prices are not higher to our knowledge (the reverse being more often true) and we wish you to advise us when you discover that any of our merchandise is, or appears to be, higher in price than it can be obtained for elsewhere. We shall further expect you to emphasize the idea that our prices are the lowest whenever it may seem necessary in your daily transactions.

The false impression is occasionally voiced by customers that we sell the same goods in the basement for less money than in the main sections. You will, of course, correct this when opportunity occurs. If goods are sent from the Main sections to the Basement and are reduced in price, they are either reduced also in the Main sections, or taken off sale there.

### Merchandise in Windows

When articles that cannot be duplicated in stock are displayed in

the windows these articles must be subject to sale. When customers desire to purchase same salespeople will request that the goods be returned to stock, and window men will immediately comply.

### Correspondence

Letter writing while on duty cannot be allowed when letters do not relate to the business of the house. Employees will have their personal mail sent to their homes.

When salespeople desire to correspond with customers on matters connected with the business, they will use the correspondence blanks, which are distributed in all sections, giving thereon any information which they would otherwise write to the customers. These blanks, after having received the approval of the Section Managers or Assistants, will be sent to the Correspondence Bureau, where the letters will be carefully written and copy of the same kept.

All correspondence sent out in the interest of Marshall Field & Company should conform to the best standards of commercial usage. Any carelessness as to paper, writing, margins, signature, address, stamp or other essential of a good letter is inexcusable.

### Notification Regarding Presents, Etc.

Goods are frequently selected by one person, who requests that they be sent to another by mail or express; and sometimes, when no card is enclosed, the person to whom the goods are sent, not knowing of the matter, declines to receive them, or feels that some error has been made. Salespeople making sales of this kind will, in each instance, write upon a regular Correspondence Blank the name of the buyer (if name is given), the name of the person to whom the goods are to be sent, kind of goods, and whether they are to be shipped by mail, freight, or express. This blank will be sent to the Correspondence Bureau, where a note will be written and sent in a separate envelope to the person to whom the goods are addressed. The purchaser's name and address should also appear on the Shipping Ticket.

### Letters Opened By Mistake

You are cautioned against opening any letters which are not directly addressed to you, as this is a matter regarding which the United States authorities are very particular. Should you make such a mistake, you will indicate that fact upon the envelope, sign your name in full and return the letter to the Mail Order Division.

### Tea Room

Patrons are served in the Tea Room from 8 A. M. until 5.15 P. M., and inquiries should be answered to this effect.

Employees who patronize the Tea Room will refrain from reserving

tables for those who may come later, as this unnecessarily monopolizes space for which customers may be waiting.

### Rest Rooms for Customers

The Reading, Writing and Rest Rooms, on the third floor, are provided for the use of customers, and employees will not frequent them.

### Press Representatives

You are cautioned against granting interviews to representatives of the press or answering questions regarding the methods, systems, plans, policies, intentions and personnel of the business. This does not apply to information which any casual observer might obtain; but those seeking vital information about the business will be politely referred to the Manager's Office.

### Telephones and Telephoning

When you are called to the telephone respond quickly (time never seems so long as when one is waiting for such a response) and immediately mention the name of your section, avoiding the word "Hello" or other salutation.

Customers sometimes wish to complain over the telephone regarding the non-delivery of goods, or for some other reason, and are at a loss to know before whom to place the matter; they, therefore, ask for some person whom they may know, and request him to see to it. Should you receive any such complaint you will not endeavor to give it your personal attention (unless especially requested to do so), but will connect the customer with the Adjusting Bureau. To do this without annoyance to the customer, you will ask her to hold the wire for a moment, explaining politely that you will connect her with the Adjusting Bureau, which cares for such matters. You will then press on the lever once or twice, slowly, and when the operator responds ask her to connect the customer with the Adjusting Bureau. The receiver may then be hung up. Under no circumstances should one press the lever in a quick, excited manner, as this fails to give the operator the desired signal and results in delay.

It is a waste of energy to lose one's temper at the telephone. The operators are usually very careful and prompt, and one always accomplishes more when telephoning by keeping cool.

Connection may be obtained with any section of the retail or wholesale, with the workrooms, or our Office Building, by asking the operator. All outgoing city connections will be charged for at the rate of five cents per connection. If the business transacted pertains to the house, the charge will be paid by the firm; if to private purposes the charge will be paid by the person telephoning. Long distance connections will be made at the booths provided throughout the house. Hold the mouthpiece within half an inch of your mouth and speak clearly and distinctly. The way in which a telephone message is sent indicates to quite an extent the character of

the sender; and a business house whose telephoning is quick, bright, to the point, and clear in its enunciation, conveys an impression which is always good.

Never leave the telephone without first informing the person holding the wire as to what action you are taking; otherwise it may be thought that the request is not being attended to.

The use of the telephone booths for long and unnecessary conversations by employees is forbidden. We readily grant the privilege of using the booths when it seems necessary, but insist that the privilege shall not be abused.

You will in every instance be very careful to drop in a nickel when requested to do so by the operator. To fail to do this causes much annoyance, and leaves you open to criticism.

Let us throughout the whole house excel in telephoning.

### Suggestions

We wish every detail in every portion of this business done in the most thoroughly approved manner, and to this end invite criticisms from all employees upon any point in system, methods, etc., in either their sections or elsewhere, which in their judgment can be bettered.

To assist in causing our people to be more watchful, studious and interested in the general improvement of the store, we will give to any employee (with exceptions as below) one dollar for each and every suggestion made to the Manager's Office, when in the judgment of that office the suggestion is practicable.

The exception above referred to applies to Section Managers or Assistants who may make suggestions for improvement regarding their own sections, as we consider such suggestions as included in the duties belonging to these positions.

### Corrections in Advertisements

It is our intention that every advertisement which we publish shall be *absolutely true and correct in every particular*. It is further our desire that employees become familiar with the advertisements as rapidly as they appear. In order to draw many critical eyes to our advertisements, and, furthermore, to give double interest to the reading of the same, we hereby offer one dollar to the employee who first calls the attention of the Manager's Office to an error (other than typographical) in any of our advertisements. Errors will be considered such:

When there is in any way an exaggeration.

When the price is wrong.

When a word is misspelled.

When the advertisement is grammatically incorrect.

Or when a false statement occurs.

### Vacations

A vacation of two weeks will be allowed each summer to those who have been in the house twelve consecutive months previous to June 1. One week will be allowed to those who have been in the employ of the house six consecutive months previous to June 1.

Vacations are allowed, during the quiet summer months, for the purpose of giving employees an opportunity to rest and to indulge in those outdoor pastimes which will best fit them for the heavy business of the months that follow. The rule, therefore, does not apply in any way to those who do not expect to remain in the employ of the house. A portion of a vacation cannot be held over and taken the following year.

### Jury Duty

Our men are frequently called upon for jury service, and we always see that no employee has any financial loss as a result of complying with such call. Jury duty rarely requires the entire day, and it is expected that you will give the store all spare time during business hours. You will turn your voucher over to the Paymaster, who will pay you the whole amount of jury money, unless your salary for the time amounts to more, in which case you will receive your regular salary.

### Employees' Lunch Room, Etc.

A large part of the tenth floor is set aside for your comfort and accomodation, and we wish you to enjoy the various rooms at much as possible, remembering constantly the rights of the hundreds of others who use the rooms, and the courtesy due them.

These rooms are for the personal convenience of employees, and you will, therefore, not allow your friends to accompany you. You will thoroughly co-operate with those in charge in the way of keeping the rooms clean and maintaining order.

### Locker Rooms

The locker rooms are complete in all details. Lockers may be obtained from the man in charge, and you will make use of the same, and not keep your coats, etc., in the section where you are employed. Shopping bags also will be kept in the lockers, but employees will keep purses, money and small valuables upon their persons. You will go personally to the locker room for your wraps, and never send a boy or an associate. Should friends, other than employees, be with you at the closing hour, you will not take them with you to your locker room, but will allow them to wait in the section or at the door. If at any time your locker fails to work you will not force it, but will immediately report the matter to the man in charge.

Division Superintendents and Section Managers and Assistants will be permitted to keep their wraps on their respective floors.

## Avoid Crowds

In case of accident or any disturbance in the store you are positively instructed to keep away from the place, and to do nothing that will in any way add to the excitement.

## Theft

You are urged to be very watchful in reference to theft; but you must never accuse anyone, and arrest must be made only by those authorized. When you are positive that you have detected anything of the kind you will at once bring the matter to the attention of a House Detective or Floorman.

## BULLETINS

### Applications Wanted

Inasmuch as the expansion of this business necessitates continual additions to our force of employees, applications from capable persons are always welcome. In directing applicants, it is best not to tell them to see any individual, but to apply at the Superintendent's Office. Inquiries from applicants should receive the same courtesy as that accorded to customers.

### Creating a Business Character

Many employees in this store have become well known throughout the city because of their pleasant manners, special ability, or other qualities. You still further create character for yourself by impressing customers with your enjoyment in the work upon all occasions. There should be no change in manner when you discover that a person approaching the counter is not an actual buyer, but is simply looking at goods. On the contrary, if the person looking will allow you to be of assistance in showing the merchandise, and this is done carefully and cheerfully, she may oftentimes be led to become a purchaser. Whether or not this be accomplished, another result (and perhaps a more important one) is inevitable, in that any good opinion which the customer may have of the house, or of the high standard of our employees, is emphasized and strengthened.

Many salespeople seem to think that the house holds them so strictly to account in the matter of sales that it is not always easy to allow the desired time to particular customers, or carry out the above instructions and at the same time place the required amount in sales to their credit. We can see how such a feeling might arise, but would say that while, of course, large sales are very important factors in fixing the value of salespeople, they do not alone form the basis upon which salaries are paid. Polite attention, interest in one's duties, and care in waiting upon customers are also important factors; and it must be remembered that these are very largely responsible for producing the other much desired result, *viz.*, large sales. These points, and all others, will be carefully considered in estimating the excellence of employees.



### Confidence in Employees

It is impossible to conduct a large business like this and not trust a great number of people. Every employee is in a position of more or less trust, and owes to himself and to his employers a faithfulness to that trust. To fail in that trust, and to be detected (and detection almost always follows), is to pay an awful price for a very small thing. One's good name, and the confidence of friends and endorsers; one's feeling of strength in himself—all go when one proves faithless to that trust. We mention this as a warning to any possible offenders, and very much hope that if there are any in the house who at this moment are so far forgetting themselves as to take that which does not belong to them (either in money, merchandise, or what not), they will instantly determine that such wrongdoing is worse than madness, and will never do it again.

### Intelligent, Loyal, Satisfied Employees

It is the wish and purpose of the house that no employee, no matter how unimportant his position, shall be forgotten or lost, sight of; but that every one whose name is on the payroll shall be recognized as a part of this great force, and that his individual efforts shall be carefully and frequently considered.

More and more we wish you to be intelligent, loyal and progressive. We propose that this great store shall be even more than ever a field for employment in which "merit shall win," and we desire that the possible careless, temporary overlooking of any employees shall never prevent that person from obtaining the fair recognition which has been earned.

We appreciate the fact that that spirit is reciprocated by a great majority of the employees in their loyalty to the house, and we wish that with the constant development of this store and business this delightful spirit between the house and its great army of splendid employees may become stronger and stronger.

Should you at any time feel forgotten or overlooked, do not hesitate to call the attention of the Manager or one of his Assistants to the fact, and you may be sure the matter will be carefully investigated.

## OFFICE MANUAL FOR A COLLECTION DEPARTMENT

E. 1

### ASSIGNMENT OF POSITIONS IN COLLECTION DEPARTMENT

*Chief Clerk*—Mr. Brown.

*Collection Division*—

First Collection Clerk, Miss Smith.

Second Collection Clerk, Miss White.

Third Collection Clerk, Miss Brown.

Fourth Collection Clerk, Miss Green.

*Billing Division*.

First Bill Clerk, Miss O'Neil.

Second Bill Clerk, Miss Thompson.

E. 2

### COLLECTION DEPARTMENT

#### GENERAL

The Collection Department is under the direct charge of the **COLLECTION CHIEF CLERK**, who is held primarily responsible for all the duties assigned to this department. He handles all correspondence with customers concerning good accounts and makes sure that the department detail is properly performed. The **COLLECTION CHIEF CLERK** is under supervision of the **OFFICE MANAGER** and refers to him all matters requiring his approval. He also renders to his superior a detailed weekly report showing all the work accomplished in the Collection Department during the week and the time consumed in each kind of work.

Each clerk keeps a daily record of the amount of each class of work done and the time spent in doing it.

This department, as explained in Section G-3 of the Office Manual, has charge of collecting payments due the company from customers who are in good standing. As soon as a subscriber becomes delinquent or if he doesn't remit in answer to a second request when he was delinquent before and has been reinstated, his account is transferred to the **CREDIT MANAGER** for handling.

The Collection Department is divided into two parts—the Billing Division and the Collection Division.

E. 3

## COLLECTION DEPARTMENT—BILLING DIVISION

## FUNCTIONS OF BILLING DIVISION

The Billing Division sends out all form letters, bills, statements and drafts to subscribers. It also sends requests to attorneys for credit reports on customers, memoranda to the ASSISTANT SECRETARY for "first offense" letters, and memoranda to the Credit Department, notifying them to warn the salesman who sold the customer that the account is about to become delinquent.

The work of this department is of a decidedly important nature. The slightest delay or error may result in creating a feeling of dissatisfaction on the part of a customer. This has frequently meant inability to collect the money due us. If, for example, a man receives a bill for \$20 instead of \$10; if his balance reads \$50 when it should read \$30; if we send him a form letter asking him to pay when he has already paid or when the payment is not due; any of these errors may lead to the loss of an account. Every account handled represents just so much money. A balance of \$10, \$20, \$50 or \$100 is an asset which we must guard as carefully as we would the money if it were in the safe.

Accuracy and speed are, therefore, the barometers by which we judge the efficiency of the bill clerks.

E. 3

## COLLECTION DEPARTMENT—BILLING DIVISION

## BILLING AND FORM LETTER ROUTINE

Each morning the FIRST BILL CLERK begins with the "C" section of collection cards and withdraws all the cards which are signalled for attention on that day. These cards she assortis according to first bills, second requests, first form letters, second form letters, third form letters and "attention of Collection Chief Clerk." A rubber band is placed around each heap so that the section in each will be kept separate. Then taking the "A" section she follows the same procedure. This is also true of the 1-X, 2-X, 8-X and other "X" sections in order.

The FIRST BILL CLERK then distributes the bunched cards—all first bills and second requests to the SECOND BILL CLERK and all form letters to the THIRD COLLECTION CLERK, whose work in the Collection Division is so arranged as to enable her to give half her time to the typing of form letters. This applies to all the batches with the exception of the one for attention of the COLLECTION CHIEF CLERK. This batch is laid upon his desk every morning.

The COLLECTION CHIEF CLERK examines these cards and separates them according to drafts and special cases. He refers the "drafts" to the SECOND BILL CLERK for handling; accounts which are to be made delinquent are referred to the SECOND COLLECTION CLERK for U. A. notices. Other cases are handled as his judgment may dictate.

All accounts, after becoming doubtful and then reinstated are to receive only a monthly bill and a second request on the next mailing date. If the reinstated customer fails to pay when the next mailing date comes around the FIRST BILL CLERK refers the account to the Collection Chief Clerk, who has the buff card detached from the white and both stamped with a red ink rubber stamp "On Probation," and dated. The white card is then tabbed with an orange signal clip and the buff card sent to the Credit Department for handling.

As soon as the FIRST BILL CLERK has finished removing accounts which are to receive attention she begins checking the bills and form letters, drafts, attorney reports and memoranda to the ASSISTANT SECRETARY. It is her duty to see that no errors are made in address, amounts and due dates and that the proper form letter is being sent out in each case.

After checking the FIRST BILL CLERK places the bills, letters and drafts and attorney reports in the basket for mailing or addressed to the COLLECTION CHIEF CLERK when his attention is necessary.

This, in general, is the routine of the billing division.

E. 4

#### COLLECTION DEPARTMENT—BILLING DIVISION

##### FIRST BILLS—(FORM 28.)

Every customer is notified when his monthly, quarterly or semi-annual payments become due. A First Bill (Form 28) is sent him far enough in advance to permit his payment to *reach this office* on the due date.

About the 14th of each month the Addressograph Operator prints upon the Addressograph all the first bills and envelopes for accounts whose plates are tabbed with red signal clip, signifying that the account is in good condition. This is explained in further detail in Section M of the Office Manual.

The SECOND BILL CLERK receives on about the 17th of each month all the addressed bills (Form 28) and addressed envelopes which are to be used for the following month's monthly (or first) bills. These are placed in the drawers of her desk arranged numerically in consecutive order.

The SECOND BILL CLERK receives each morning from the FIRST BILL CLERK the cards for first bills and second requests. With the cards for first bills before her and the addressed bills and the addressed envelopes at hand she adds to the bill the date, due date, amount due and the statement of account to date; and on the perforated slip the number, form number, due date and amount due.

She places the bill and whatever enclosures go with it under the flap of the envelope and lays aside the lot face down. She then fills in on the collection card the date in the proper space to show what form is being sent. From time to time the bills and cards are taken up by the FIRST BILL CLERK for checking.

When all the monthly bills have been sent out there should be no addressed bills and envelopes left in the drawers. If there are any they

are referred immediately to the **COLLECTION CHIEF CLERK**, who investigates the causes.

The second requests are handled the same way as the first bills except that the name and address is typed on the statement (Form 29) in addition to the data on the first bills; the statement of account to date, however, is omitted.

E. 5

## COLLECTION DEPARTMENT—BILLING DIVISION

### FORM LETTERS

If, after sufficient time has elapsed, a customer has not sent us his payment, a second request (number 251, 252, 253, etc.) is sent him. The mailing schedule will be found under Section E-6 of this manual.

Again allowing the time specified on our mailing schedule for a reply, a third request is sent out (Form 351, 352, 353, etc.). At the same time a memorandum is sent to the **ASSISTANT SECRETARY**, giving name and number of customer, amount he owes, and date, for a "First Offense" letter. (This memo is not made if the card shows that one has already been sent.) This is followed by a fourth request (Form 451, 452, 453, etc.) and a fifth (Form 551, 552, 553, etc.). When the fifth request is typed the bill clerk also makes out a memorandum to the Credit Department, notifying it that a draft will be drawn on the customer on the next mailing date unless a remittance is received from him in the meantime. A small check mark is placed next to the notation on the card showing the number and date of the form letter, to record the fact that the memorandum was sent as required. This memorandum is notice to the Credit Department to warn the salesman that his commission will be charged back to him (provided the amount paid by the customer is less than the commission paid) when the draft is drawn. This is further explained in Section B of the Office Manual. If no attorney report has yet been drawn on the customer to whom this form letter is sent the **FIRST BILL CLERK** turns the card over to the **SECOND BILL CLERK** to draw one now, so that the **CREDIT MANAGER** has all the possible information about the customer when the account reaches his hands.

The form letters are frequently changed. They are numbered so that we can tell how many remittances are received out of a given number of letters sent out.

The Bill Clerks send these requests to customers as instructed by the **FIRST BILL CLERK**. When a bill, statement or form letter has been mailed, a record of the date and number of the form is always entered on the card. Care must be taken to see that the correct forms are sent. If a customer has not received all the forms that precede the form on which a clerk is working the matter should be reported to the **COLLECTION CHIEF CLERK** immediately.

All form letters are accompanied by a statement (Form 29) and are turned down with the enclosure under the envelope flap. The **FIRST BILL**

CLERK picks them up during the day, checks and mails them in a manner similar to the First Bills.

E. 6

COLLECTION DEPARTMENT—BILLING DIVISION

MAILING SCHEDULE

As the name implies, this schedule is for the purpose of gauging the time necessary for a customer's reply to reach us. If a man lives in New York City it will naturally take much less time than if he lived somewhere on the Pacific Coast. For instance, we should except a reply to any of our forms when sent to a customers in the City within five or six days at the utmost; while from a customer in San Francisco we would not expect a reply in less than ten days at the minimum.

It is very important that the schedule outlined below be strictly followed and the bills and forms mailed promptly on the dates due. A delay of one or two days with each form means a whole week at the completion of the series of letters and might mean the delaying of the payment or even in some extreme cases the loss of an account.

The following States are allowed *six days* interval between forms:

Connecticut	Ohio
Illinois	Pennsylvania
Maine	Rhode Island
Maryland	Vermont
Massachusetts	Virginia
New Hampshire	Washington, D. C.
New Jersey	West Virginia
New York	Wisconsin

*Seven days* for Eastern Canada, including Manitoba, Quebec and Ontario.

*Eight days* are allowed for:

Alabama	Minnesota
Arkansas	Mississippi
Florida	Missouri
Georgia	Nebraska
Indiana	North Carolina
Iowa	North Dakota
Kansas	Oklahoma
Kentucky	South Carolina
Louisiana	Tennessee
Michigan	

*Nine days* are allowed for communications to:

Colorado	New Mexico
Idaho	Utah
Montana	Wyoming

*Ten days* are allowed for Arizona.

*Eleven days for:*

California

Nevada

Oregon

Washington

*Sixteen days for Mexico.**Twenty days* are allowed for customers in Panama and the Canal Zone.*Six weeks* are allowed for communications to China and Japan.

One essential point to always keep in mind in connection with this schedule is that the Second Request (251, 252, 253, etc.) is sent but *two days after* the payment is due in this office and that the customer is allowed *two days longer* than the mailing schedule calls for before drawing a draft on him.

Here is a model schedule to be followed for payments due on the first of the month and which have an eight-day interval for follow-ups:

Form	Date Sent
Statement .....	22nd
1st letter.....	3rd
2nd letter.....	11th
3rd letter.....	19th
4th letter.....	27th
Draft .....	6th

ALL MEMBERS IN THE COLLECTION DEPARTMENT SHOULD READ THIS SCHEDULE CAREFULLY SO AS TO BECOME WELL ACQUAINTED WITH THE MAILING INTERVALS FOR THE VARIOUS PARTS OF THE WORLD IN WHICH WE HAVE CUSTOMERS.

E. 7

## COLLECTION DEPARTMENT—BILLING DIVISION

## DRAFTS

Drafts are drawn on customers at their own request, or when they are behind in their payments, not having received any reply to our series of collection department letters, or upon request from the Credit Department.

We use two media for our drafts:

1. Express companies.
2. Banks.

The Bank drafts are further subdivided into (a) regular, (b) special.

We send a draft through an Express Company only when a customer holds a minor position and his attitude is doubtful. In all other cases bank drafts are drawn. Express Drafts cost us considerably more than Bank Drafts and the chief benefit derived is information from the agent as to the stand the delinquent takes regarding his indebtedness.

The SECOND BILL CLERK types all drafts in duplicate. She fills in the date, amount of draft, name and business address of customer and the account number. In the left hand margin of the Express Drafts and the Regular Bank drafts, where space is provided for the statement, she types, "Overdue payment on purchase of —." After noting on the collection

card the date, number and amount of draft she sends them to the **FIRST BILL CLERK**, who checks them and detaches the duplicate copy. The latter is placed in tickler file as explained later.

All Express Drafts are sent through the Wells Fargo Company Express when that company has an office in the given locality. The **FIRST BILL CLERK** consults *Bullinger's Express Guide* to determine this fact. When the Wells Fargo Company Express has no office in the customer's town the **FIRST BILL CLERK** uses her discretion in selecting the proper company, giving preference to the Adams. It is part of her duty to be thoroughly familiar with the use of Bullinger's Guide.

The proper company's name is endorsed on the reverse side of the draft and enclosed, together with a Flexotyped sheet of instructions to the local agent, in an addressed envelope supplied by each company. On this envelope the **FIRST BILL CLERK** fills in with ink the date, amount of draft, the name and address of the customer, and sends it to the **SHIPPING CLERK**, who sends it to the company to which it is addressed.

Regular Bank Drafts are filled in by the **SECOND BILL CLERK**, as are the Express Drafts (explained above). She notes the date, number and amount of draft in a Memorandum Deposit Book supplied by our bank; she then hands the deposit book and the drafts to the **FIRST BILL CLERK**, who checks them, detaches the duplicate and sends the book and drafts to the **COLLECTION CHIEF CLERK**. He sends them to the Credit Manager, who, after signing them, turns them over to the **BOOKKEEPER** for endorsement and deposit.

Special Bank Drafts are drawn either when a customer expressly requests us to draw on him, or when information on hand leads us to believe that we might get better results in sending our drafts direct to the customer's local bank. An instance of such a case is when a customer is employed by a bank. She fills in the necessary information on the draft (same as the Regular Bank Draft) and on the reverse side types, "Pay to the ——— Bank (name of the bank) A. B. C. Co.

By.....

CREDIT MANAGER.

After this, the same routine is followed as with the Regular Bank Draft.

In cases where the draft is drawn at the request of a customer the words, "Payment due (date)" are typed in the left hand margin provided for the statement.

When a memorandum is received from the **CREDIT DEPARTMENT** to draw a draft on a delinquent customer the **SECOND BILL CLERK** gets the address from the white collection card, but does not note the draft on the card. That is noted on the buff card by the **CREDIT MANAGER** when the memorandum is sent. She follows the same procedure as in all the other drafts; then she initials and dates the memorandum and sends it along to the **FIRST BILL CLERK** in the usual way, who, after checking, puts the memorandum in the basket for filing.



All detached copies of drafts are filed by the **FIRST BILL CLERK** in tickler fashion and if after two weeks no return has been received the first form letter in the follow-up of drafts is sent out, and a notation of it made on the reverse side. It is then filed ahead the second time, and if no return is received the second form is sent out; it is filed ahead again, and if no reply has been received by the time it again comes up for attention it is referred to the **COLLECTION CHIEF CLERK**, who decides what shall be the next step.

E. 8

## COLLECTION DEPARTMENT—BILLING DIVISION

### ATTORNEY REPORTS

For the sake of securing reports on customers which will enable the **CREDIT MANAGER**, when the account reaches his hands, to better judge the chances we stand of eventually collecting the account, we subscribe to the service of the ——— Company. This mercantile agency furnishes us with a book in which are listed, in geographical order, the names of the attorneys affiliated with it and to whom we can send the report blanks to be filled in.

The **SECOND BILL CLERK**, who sends for these reports, must be careful before sending out to consult the weekly change sheet, supplied by the agency, to ascertain whether any changes have been made in the attorneys. She fills in the date, attorney's name and address, the customer's number, name and both addresses (business and residence) and any other information we have that would be of use to the attorney in reporting on him. On the stub, which is kept by the **FIRST BILL CLERK** in a tickler file, she notes the names and addresses of the attorney and the customer, his number and the date sent out. When the report is received from the attorney the **FOURTH COLLECTION CLERK** notes it on the card and sends it to the **FIRST BILL CLERK**, who destroys the stub and puts the report in the basket for filing.

As these reports are rather expensive, costing us on an average 25 cents each, the **SECOND BILL CLERK** should see that the reports she sends out are accurate in every respect. She should read carefully the instructions in the book and be guided by them. One of these instructions is that in a city of more than 200,000 inhabitants a fee of 50 cents is to be enclosed in addition to a stamped return envelope, which is enclosed with *all* reports. When a report on a customer is requested whose business address is in a city requiring the 50-cent fee and his residence is in a smaller town the **SECOND BILL CLERK** refers the case to the **COLLECTION CHIEF CLERK**, who decides to which place the report should be sent. On all reports requiring the 50-cent fee the **SECOND BILL CLERK** puts down in the upper right hand corner of the report in pencil the figures "50 cents." After typing the reports she turns them over to the **FIRST BILL CLERK** for checking, and she, in turn, sends out all the reports with the exception of

those requiring the 50-cent fee. These she puts on the desk of the COLLECTION CHIEF CLERK, who authorizes the BOOKKEEPER to enclose the fee and charge the amount to "Miscellaneous Collection Expense," if they are X or A accounts, and to the "Special 'C' account" when they are Cincinnati accounts.

If within a reasonable time no report is received, the FIRST BILL CLERK sends the first form for follow-up of attorney, and after noting the date of the letter on the stub files it ahead in the tickler file for a few days—sufficient time to allow the attorney's reply to reach us. When none is received, the second form is sent and noted on the stub. No reply having been received to this second letter the stub is referred to the COLLECTION CHIEF CLERK, who decides what step should next be taken.

#### COLLECTION DEPARTMENT—BILLING DIVISION. E. 6

##### FILING CARDS

We all know how very important it is that cards be filed promptly and accurately. The locating of one card, when it is filed only ten numbers out of place, might take hours, and at a time when it may be most urgently needed. The FIRST BILL CLERK, upon whom this duty devolves, must, therefore, use great care in her work.

She picks up at least three times a day the cards from the tickler file on the COLLECTION CHIEF CLERK's desk, and those which have had letters, bills, attorney reports and drafts sent out, and files them in the regular card files. All X cards are filed numerically in consecutive order, and all "A" and "C" cards alphabetically. Detached buff cards and delinquent "C" cards are put in the back of the CREDIT MANAGER's section to be filed by him.

#### COLLECTION DEPARTMENT—BILLING DIVISION E. 10

##### INDIVIDUAL DUTIES

The FIRST BILL CLERK checks every bill, statement, form letter, draft, "attorney report," memorandum to CREDIT DEPARTMENT, giving warning of Charge Back to Salesman, and memorandum to ASSISTANT SECRETARY, that goes out of the department. She is held personally responsible for their accuracy. She also files all the collection cards back in their proper places, and follows up all drafts and attorney reports.

The SECOND BILL CLERK types all First Bills, all second requests (251, 252, 253, etc.), all "attorney reports," all drafts and memoranda to the ASSISTANT SECRETARY.

The THIRD COLLECTION CLERK types all first letters (351, 352, 353, etc.) all second letters (451, 452, 453, etc.), and all third letters (551, 552, 553, etc.).

E. 11

## COLLECTION DEPARTMENT—COLLECTION DIVISION

## FUNCTIONS OF COLLECTION DIVISION

The Collection Division receives and enters remittances from customers; mails receipts; records the results of the various form letters sent out; handles the new enrollments that come into the department; notifies the BOOKKEEPER when accounts are made delinquent, cancelled or are reinstated; makes notations on collection and delinquent cards; notifies the MAILING DEPARTMENT of delinquents, reinstatements, "paid-ups" and "killed"; performs such clerical work for the CREDIT DEPARTMENT as is assigned to the COLLECTION DEPARTMENT, and performs such sundry other duties connected with the handling of accounts as may be assigned to members in that division.

The importance of the work of this division cannot be overestimated. It handles practically all the money coming into the Company, amounting to thousands of dollars weekly, and routs through all new contracts secured; it is therefore highly essential that each member of the division do her part of the work expeditiously and accurately. Delays and errors are expensive because of the time and energy spent in rectifying them.

E. 12

## COLLECTION DEPARTMENT—COLLECTION DIVISION

## HANDLING REMITTANCES

All envelopes addressed to the Collection Department coming in with the first mail are cut by the FIRST MAIL CLERK and put on the desk of the THIRD COLLECTION CLERK.

She and the SECOND COLLECTION CLERK open the envelopes and distribute the remittances taken from them in bunches, being guided by the account numbers shown on the return slips—one bunch for each section of accounts. Those not bearing any numbers are put in a separate bunch, known as "unclassified." The THIRD COLLECTION CLERK then counts the number of the remittances and calculates the amounts received, as a result of each form sent—taking this information from the return slips attached to the payments. The results are entered by her on manila record folders; each folder includes a copy of the particular form and all enclosures that go with it. The SECOND COLLECTION CLERK then looks up the numbers of the unclassified remittances in the alphabetical index, and notes the respective numbers on each remittance.

Both the SECOND and the THIRD COLLECTION CLERKS go through the good files and pick out the cards on which remittances have been received, placing all the cards in one section together.

A list is then made of all the numbers whose cards were not in the files, and given to the FOURTH COLLECTION CLERK. She searches for the missing cards among those out for billing, etc., and puts them on the desk of the THIRD COLLECTION CLERK as soon as found. In the meantime

the **THIRD COLLECTION CLERK** takes the Customers' Cash Book and from the remittances before her calls off the name, number and amount of the remittance to the **SECOND COLLECTION CLERK**, while entering the initials, the number and the amount for "X" accounts, and the full name and amount for the "A's" and "C's" in the Cash Book.

The **SECOND COLLECTION CLERK** at the same time posts to the ledger card, which she has in front of her, recording the date and the amount of the remittance in the proper columns, and if the information is not already there, notes the bank on which the check or draft is drawn, so that we may know the bank with which each subscriber deals.

For the purpose of sending out receipts for all remittances received not in the form of checks see Section E 18 of this manual.

The **THIRD COLLECTION CLERK** turns over all the remittances to the **SECOND COLLECTION CLERK**, who detaches them from the statements and letters. The money is then turned over to the **BOOKKEEPER** for deposit.

The **THIRD COLLECTION CLERK** adds the columns in the Cash Book and inserts in the last column marked "Total" the amount recorded for each section. She also makes out two copies of "Memorandum of Daily Collections," and puts one on the desk of the **COLLECTION CHIEF CLERK** and gives one to the **BOOKKEEPER**.

The **SECOND COLLECTION CLERK** and the **THIRD COLLECTION CLERK** now exchange—the former takes the ledger cards and the latter the Cash Book; the **SECOND COLLECTION CLERK** calls off the names and amounts in the "A's" and "C's", and the initials, number and amount in the "X" accounts, while the **THIRD COLLECTION CLERK** goes through the cards and sees that the numbers and amounts posted on them are correct as called off by the **SECOND COLLECTION CLERK** from the Cash Book.

This checking is done simultaneously by these two clerks so as to eliminate any chance of error either in crediting the wrong account or the incorrect amount. Any discrepancy between the two records must at once be brought to the attention of the **COLLECTION CHIEF CLERK**.

The **SECOND COLLECTION CLERK** also types a list each day of all accounts put through doubtful, and reinstated. Six copies are made and sent to the **MAILING DEPARTMENT**, **SECRETARY**, **ASSISTANT SECRETARY**, **CREDIT DEPARTMENT**, **SALES DEPARTMENT**, and to the **BOOKKEEPING DEPARTMENT**. She also types a list of all accounts paid up each day and this is sent to the **MAILING DEPARTMENT**.

E. 13

## COLLECTION DEPARTMENT—COLLECTION DIVISION

### MAILING RECEIPTS

The **FOURTH COLLECTION CLERK** types all receipts. As the **THIRD COLLECTION CLERK** enters the daily remittances in the Customer's Cash Book and picks up each remittance to call off the amount, she also calls out "Receipt" when the remittance is in the form of Cash, Postal Money Order,

**Express Money Order, or Bank Draft.** The cards on which remittances have come in these forms are laid aside and, after the entries are called back, are turned over to the **FOURTH COLLECTION CLERK**, who types the receipts. The **SECOND COLLECTION CLERK** sends all doubtful accounts on which remittances have been received, after typing her list of Reinstatements, to the **FIRST COLLECTION CLERK**, who makes out the notices to the **BOOKKEEPER** (explained in Section E. 15) and sends all cards requiring receipts to the **FOURTH COLLECTION CLERK**.

It is necessary that she exercise diligent care to turn out receipts neatly and accurately. An error in the balance due, the amount paid, or the address would require a corrected receipt and a letter of apology to straighten out—which, of course, is expensive.

The **FOURTH COLLECTION CLERK** then turns the receipts over to the **FIRST COLLECTION CLERK** for checking. After they are checked the **FIRST COLLECTION CLERK** puts them in the basket for mailing.

E. 14

#### COLLECTION DEPARTMENT—COLLECTION DIVISION

##### U. A. NOTICES

When a customer shows signs of wanting to cancel or when no reply is received to our entire series of form letters reminding him of a payment due, it is "unsatisfactory." For such an account the **SECOND COLLECTION CLERK** types an "Unsatisfactory Account Notice." Three copies are made at one writing, i. e., "Salesman's Copy," "Treasurer's Copy" and "Sales Manager's Copy."

The **SECOND COLLECTION CLERK** fills in the required data on the notice from the ledger card and under "Remarks" types such additional information as will enable the salesman to tell just why the account is unsatisfactory. She must use her judgment in condensing and putting only the most essential information on the notice and such as will be of help to the salesman.

After typing the "U. A. Notice" the **SECOND COLLECTION CLERK** makes out a buff delinquent card, copying everything from the ledger card. She notes on both cards in red ink the date and number of the notice and sends them to the **FIRST COLLECTION CLERK** for checking. The **FIRST COLLECTION CLERK** puts all the "Treasurer's Copies" together, the Salesman's and the Sales Manager's Copies together, and the buff cards together and puts them on the desk of the **COLLECTION CHIEF CLERK**.

He sends the Salesman's and the Sales Manager's copy to the **SALES MANAGER'S SECRETARY**. The salesman enters on the slip attached to his copy his suggestions as to handling the account, and returns it to the office for notation on our records.

The "Treasurer's Copy" is sent to the **CREDIT MANAGER**, who uses it as a check in sending to salesmen the notices and letters for co-operation.

E. 15  
COLLECTION DEPARTMENT—COLLECTION DIVISION

## NOTICES TO THE BOOKKEEPER

Reinstatement notices are instructions to the **BOOKKEEPER** to reinstate an account for the same amount for which it has been charged to "Doubtfuls" or "Cancellations."

Similarly, "Doubtful Notices" and "Cancellation Notices" are notices to the **BOOKKEEPER** to charge the amount of the balance of an account to the proper Reserve account.

The **SECOND COLLECTION CLERK**, in going through the cards on which the day's remittances have been received, picks out those that are "Doubtful." They are recognized by the red ink U. A. notation (provided the buff delinquent card is not attached) and, in the case of "C" accounts by a red "D" stamped at the bottom of the card. She types a list of all these reinstatements (as explained in Section E. 19), and turns the cards over to the **FIRST COLLECTION CLERK** for making out the notices to the **BOOKKEEPER** and securing the figures for the "Statement of Accounting Data" (explained in Section E. 17 of this manual).

The notices are numbered consecutively in the upper right hand corner. The name of the salesman, the date, the subscriber's number, name and address, and the amount of the balance prior to the reinstatement payment are inserted in the space provided for the purpose.

The **FIRST COLLECTION CLERK** puts the notices on the desk of the **COLLECTION CHIEF CLERK** for his O. K., which constitutes the **BOOKKEEPER's** authorization to reinstate the account.

"Doubtful" and "Cancellation" notices are handled exactly the same way as reinstatements.

The **COLLECTION CHIEF CLERK** will instruct the **FIRST COLLECTION CLERK** daily as to the accounts on which "Doubtful" or "Cancellation" notices are to be made out.

E. 16  
COLLECTION DEPARTMENT—COLLECTION DIVISION

## NOTATIONS ON CARDS

Any and all information that may help us to collect an outstanding account is noted on the ledger card and on the buff delinquent card when there is one.

The great importance of doing this work promptly and accurately is self-evident. One day's delay may cause us needless expense and the loss of the good will of a customer—which may mean the loss of the balance due us on that particular account. For example:

A customer has been out of town and did not receive any of our letters until the draft notice was sent him. He asks us not to draw on him and that he will send a remittance in a few days. If this promise is not noted promptly and a draft is drawn on him the following day the state

of his feelings and his opinion of our business methods, you may imagine, are not complimentary to us; and his refusal to honor the draft and further delay in paying, means just so much money out of our pockets for the time being, at least.

The **FOURTH COLLECTION CLERK**, who makes these notations, first secures the ledger card and, if there is no buff card made out for it, makes the notation. If there is a buff card for it, she locates it and makes the notation on that. On the card she notes the original date of the letter or memorandum while on the letter she signs her initials and the present date, indicating when the notation was made on the card. She then turns all the cards, letters and memoranda over to the **FIRST COLLECTION CLERK** for checking.

The **FIRST COLLECTION CLERK**, after checking the notations, gives all cards, except those with letters requiring the attention of the **COLLECTION CHIEF CLERK**, to the **FIRST BILL CLERK** for filing, except "Returned Volumes" slips, "Change of Address" slips, Attorney Reports and returned drafts. The "attorney reports" and the returned drafts are filed after the report stubs and duplicate drafts have been destroyed by the **FIRST BILL CLERK**. The "Change of Address" notices are separated by the **FIRST COLLECTION CLERK** into two bunches; one including all those who have changed their addresses to another city or state in which we have a representative; on these she notes the status of each account and sends them to the **SALES MANAGER'S SECRETARY**, who sends a memorandum of the change to the **SALESMAN** in that city, to which the customer has moved. The other bunch is put into the basket for filing. The remaining letters she puts on the desk of the **COLLECTION CHIEF CLERK**, who dictates replies to those requiring answers and sends the "Returned Volumes" slips to the **BOOK-KEEPER**, who keeps them in alphabetical order for future reference.

E. 17

## COLLECTION DEPARTMENT—COLLECTION DIVISION

### STATISTICAL STATEMENTS

The statistical statements and reports compiled by the Collection Department include the following:

- 1—Daily Collection Statement.
- 2—Weekly Report of the Collection Department.
- 3—Weekly Statement of Accounting Data.
- 4—Monthly Statement of Expiring Contracts.

The detailed working of each of these statements is as follows:

1. The daily collection statement is divided into two sections: (A) The monetary section, in which is recorded the amount collected each day. (B) The analysis section, in which is recorded the numerical analysis of the accounts handled.

There is a separate statement kept for each section of accounts, and one statement for the total of all the "X" sections.

The **FIRST COLLECTION CLERK** enters on the daily collection statement

from the Customers' Cash Book the amount collected on each section, and the increasing total for the month. She receives a memorandum from the SECOND COLLECTION CLERK of the amount collected on delinquents in each section and these figures she notes on the statements in the columns provided for that purpose. From the Order Register she ascertains the amount of the first payments retained by SALESMEN and notes it in the upper half of the line in the column headed "new business." The lower half of the line is used for the actual cash received on first payments.

The numerical analysis is kept by the FIRST COLLECTION CLERK in rough form on memoranda sheets. This analysis is divided into five classes, i. e., good accounts, delinquents, cancelled, dead and paid accounts. The FIRST COLLECTION CLERK changes the figures on the rough memoranda sheets whenever reinstatements, doubtfuls or cancellations are put through; or when a new order is added. For instance, if there are 200 good accounts in one section and 50 delinquent accounts; one delinquent account pays and is reinstated. The number of delinquents is made 49 and the number of good accounts increased to 201. This analysis is entered each day in the collection statement.

The daily collections are entered immediately after the remittances are posted and the binder containing the statements put on the desk of the COLLECTION CHIEF CLERK. After examining it he sends it to the TREASURER, the CREDIT MANAGER and the OFFICE MANAGER for inspection.

Every Saturday the COLLECTION CHIEF CLERK figures out the percentages of each class of accounts and notes the result in red ink on all the statements.

2. The weekly report of the COLLECTION DEPARTMENT is composed of two parts—"Schedule A" and "Schedule B."

"Schedule A" shows the number of each form sent out and the returns received from it; the number of drafts and returns on them; the number and amount of the week's collections; the number and amount of reinstatements, doubtfuls and cancellations; and the number of accounts on hand and in what standing.

"Schedule B" shows the detailed work performed by each member in the department; it states exactly the amount of work and the time spent in doing it. The salary cost and the cost per unit for each class of work is figured and inserted in the proper columns by the ACCOUNTING DEPARTMENT.

3. The statement of accounting data is compiled every Monday for the week ending the previous Saturday by the FIRST COLLECTION CLERK. She gets her figures at the same time when making out the notices to the BOOKKEEPER. This statement is designed to show the number and amount of reinstatements, cancellations and doubtfuls in each section and the grand total of each. Six copies are made of this statement and are distributed to the CONTROLLER, TREASURER, OFFICE MANAGER, CREDIT MANAGER and BOOKKEEPER; one copy is kept by the COLLECTION CHIEF CLERK for his files.



4. The monthly statement of expiring contracts is compiled for the ACCOUNTING DEPARTMENT.

The FOURTH COLLECTION CLERK types from the order register the numbers, names and addresses of all the subscribers whose contracts expire that month.

This report is checked by the COLLECTION CHIEF CLERK and copy sent to the CONTROLLER.

E. 18

#### COLLECTION DEPARTMENT—COLLECTION DIVISION

##### HANDLING NEW ORDERS

The contracts, after being accepted by the SALES DEPARTMENT and O. K'd by the SALES MANAGER, or ASSISTANT SALES MANAGER, are entered in the Order Register by the SALES MANAGER'S SECRETARY. A number is assigned each contract, which is stamped on it in red ink in the upper right hand corner, and the same number in the lower right hand corner of the information report. This number is permanent and is the guide by which that particular account will be known in the future.

After the contract is entered in the register it is put on the desk of the COLLECTION CHIEF CLERK, who detaches any money attached to it, putting a memorandum on each remittance, so as to be able to identify it when it is posted to the credit of the account. He reads the contract through carefully, as well as the information report, and notes in red ink on the information report the date of handling and also the terms of the contract.

He then sends the contract and information report to the SECOND COLLECTION CLERK, who makes out the collection and geographical cards. She also reads through the information report carefully, and if there is any special material to be sent or if there are any special clauses which the MAILING DEPARTMENT should know as regards shipping or mailing, notes it on the geographical card, initialing the instructions on the information report, so as to indicate that it has been attended to.

She must be careful that all the information is copied correctly from the contract and information report. She then sends the contracts and all cards to the FIRST COLLECTION CLERK, who checks them. The FIRST COLLECTION CLERK then sends all the geographical cards to the MAILING DEPARTMENT, detaches the information reports from the original contracts, sending them, in consecutive order, to the ASSISTANT SECRETARY for the introductory letter. All orders go to the BOOKKEEPING DEPARTMENT, where acknowledgement cards for the first payments are made.

The FIRST COLLECTION CLERK counts the contracts and adds the number of new accounts to her analysis and then sends the collection cards to the FIRST BILL CLERK, who tabs them with clips for their next billing date and files them.

The "future contract" is one on which payment is to be made and material shipped at some future time. Such contracts are not numbered or entered in the register. They are referred to the **COLLECTION CHIEF CLERK**, who sends them to the **SECOND COLLECTION CLERK**. She lists the name, address of the subscriber, name of the salesman and date of contract on a sheet kept by her, known as "Future Order List," and types on a small file card the name and address of the customer, and in the upper right hand corner the date when the contract goes into effect. The contract and information report is then sent to the **ASSISTANT SECRETARY**, who acknowledges its receipt. The card is sent to the **COLLECTION CHIEF CLERK**, who keeps it in a tickler file and sends the contract and previous correspondence to the **ASSISTANT SECRETARY** for another letter, sufficiently in advance to enable the customer's reply to reach us and the material to be shipped so as to reach him on the date his course is to begin. The date of the second letter is noted on the "Future Index" card and filed ahead for a specified time, using the Mailing Schedule as a basis. No reply being received to this letter, the **COLLECTION CHIEF CLERK** again refers the contract and correspondence to the **ASSISTANT SECRETARY**. The same procedure is followed as with the first letter, and when no answer is received to this, on the next mailing date the contract and correspondence is referred by the **COLLECTION CHIEF CLERK** to the **CREDIT MANAGER**. The same procedure, as explained above, in bringing the matter to the attention of the **CREDIT MANAGER**, is then followed until the prospective account is either dropped or entered as a regular order.

E. 19

## COLLECTION DEPARTMENT—COLLECTION DIVISION

### INDIVIDUAL DUTIES

**FIRST COLLECTION CLERK** keeps all records of statistics, fills out notices to the **BOOKKEEPER**, secures cards required for correspondence, checks all U. A. Notices; receipts; notations on cards; special list and statements; new contracts, and keeps the numerical analysis of accounts.

**SECOND COLLECTION CLERK** posts remittances on the ledger cards; types all U. A. Notices; records for new contracts; lists of delinquents, rein-statements and paid-ups, and fills in the amount of the balance due on the "Contracts Expired" lists, explained in Section G of this manual.

**THIRD COLLECTION CLERK** enters remittances in the Customers' Cash Book; compiles the returns on collection forms, and adds the Cash Book; types form letters for the Billing Division.

**FOURTH COLLECTION CLERK** types all receipts; makes notations on cards; types statements for the **CREDIT DEPARTMENT** and types lists of delinquents; locates cards required for remittances each morning.

# **RULES AND REGULATIONS GOVERNING EMPLOYEES' SAVING FUND**

**CREATED UNDER A PLAN ADOPTED BY THE BOARD OF  
DIRECTORS OF COMMONWEALTH EDISON COMPANY**

(The terms "Company," "Committee," "Treasurer" and "Subscriber" hereinafter used shall refer respectively to Commonwealth Edison Company, Savings Fund Committee having charge of the Fund, Treasurer of the Committee and the Employee subscribing to the Fund.)

**FIRST:** Any salaried employee who is at the time of making application and for more than one year immediately preceding has been in the continuous service of the Company, may become a Subscriber to the Fund, upon the acceptance of his application by the Committee.

**SECOND:** The Subscriber's subscription period shall continue for five (5) years from and after the date of the acceptance of his application, unless sooner terminated as hereinafter provided. It shall terminate within such five-year period (a) in case the Subscriber voluntarily leaves the Company's service; (b) in case the Subscriber is discharged from the Company's service; (c) in case the Subscriber makes written request of the Treasurer for a termination of the subscription period, and thirty days thereafter shall have elapsed; (d) in case the Committee elects to terminate the subscription period and gives written notice of such election to the Subscriber, either personally or by registered mail; (e) in case of the death of the Subscriber; or (f) in case of an adjudication by a competent tribunal that the Subscriber is insane.

**THIRD:** During the subscription period the Subscriber shall pay to the Committee within five (5) days (Saturday, Sunday and legal holidays disregarded) after the Subscriber receives from the Company any installment of salary or wage, a sum of money equal to three per cent. (3%), or five per cent. (5%), as the case may be, of the amount of the installment of salary or wage so received; such percentage to be stated in his application. The Subscriber may change the percentage from three per cent. (3%) to five per cent. (5%), or from five per cent. (5%) to three per cent. (3%) at the end of any year of his subscription period by making written request to the Treasurer for such change at least two weeks before the expiration of such year.

**FOURTH:** The Committee shall receive from the Subscriber all sums of money paid to it as above provided, and shall hold, invest and reinvest such sums from time to time, as provided in the plan creating the Fund.

**FIFTH:** At the termination of the subscription period by lapse of time or otherwise, if the Subscriber's interest in the Fund shall not then have been assigned by him, the Committee agrees to make a cash payment or a stock distribution, or both, as follows:

1. If the full five-year subscription period shall then have expired, the Committee will pay to the Subscriber, in cash, the total amount paid by him during such period, with interest thereon, compounded as herein-after provided, at the rate of six per cent. (6%) per annum (unless reduced by defaults, as provided in Rule Sixth), or, at the option of the Subscriber, and in lieu of such cash payment, the Committee will deliver to the Subscriber as many whole shares of the Company's capital stock as the amount of such cash payment would purchase at par if the market selling price of the Company's stock is at the time of payment at or above par, or if the market price is then below par, then at the average price per share of all sales of the Company's stock reported by the Chicago Stock Exchange for the two calendar months immediately preceding the month in which the Subscriber's subscription period expires; and any difference between the amount of the cash payment to which the Subscriber would be entitled and the amount invested (either at par or at the market price, as aforesaid, as the case may be) in the Company's stock so delivered to him, the Committee will pay to the Subscriber in cash, or if the Subscriber elects to subscribe for a new five-year period and signs the necessary application, such difference will be retained by the Committee and will be credited to the Subscriber as a payment upon his new subscription. The Subscriber must give written notice to the Treasurer not less than ninety (90) days prior to the date of the expiration of his subscription period, whether he elects to accept cash or stock, and if he fails to give such notice the committee may at its option make either a cash payment or stock distribution to the Subscriber.

2. If the subscription period is terminated by the happening of the event specified in subdivision (a), or (b), or (d), or (e) or (f), above referred to, the Committee will then pay in cash to the Subscriber, or to his administrator or executor, or to his conservator (as the case may be) the total amount paid by the Subscriber during such period, with interest thereon compounded, as hereinafter provided, at the rate of six per cent. (6%) per annum (unless reduced by defaults, as provided in Rule Sixth).

3. If the subscription period is voluntarily terminated by the Subscriber, as provided in subdivision (c) above referred to, the Committee will then pay to the Subscriber the total amount paid by him during such period, with interest thereon compounded, as hereinafter provided, at the

rate of four per cent. (4%) per annum (unless reduced by defaults, as provided in Rule Sixth).

**SIXTH:** If within any one of the five yearly periods of the subscription period a Subscriber shall fail to pay three or more installments, when due, interest during such year on the amounts paid by him to the Committee during each year shall be compounded as hereinafter provided at the rate of three per cent. (3%) per annum.

**SEVENTH:** If the Subscriber assigns his interest in the Fund, such assignment shall not bind the Committee or the Company unless a duplicate original assignment, upon a form of assignment to be furnished by the Committee, is filed with the Treasurer. After such assignment no payments will be accepted from the Subscriber or from his assignee, and at the termination of the subscription period the Committee will pay to the assignee, or to the person then entitled to the Subscriber's interest in the Fund, the total amount paid by the Subscriber during the subscription period, with interest thereon, compounded as hereinafter provided, at the rate of six per cent. (6%) per annum, down to the date of the commencement of that one of the five yearly periods of the subscription period in which the Subscriber so assigns his interest in the Fund, and with interest thereafter, compounded as hereinafter provided, at the rate of three per cent. (3%) per annum.

**EIGHTH:** Interest at the rates above specified will be computed and credited to the Subscriber's account, with the Committee at the end of each six-month period during the subscription period upon the total amount in the hands of the Committee and credited to the subscriber at the beginning of such six-month period, and also upon all amounts paid by the Subscriber to the Committee during such six-month period, computed from the respective dates of such payments. All interest shall cease at the termination of the subscription period by lapse of time or otherwise.

**NINTH:** If at any time the Subscriber's interest in the Fund shall be garnished or attached or seized in any suit at law or in chancery or in bankruptcy, the Subscriber shall not be entitled to receive payment or stock distribution until such suit shall have been determined, and the Subscriber's interest in any payment or stock distribution from the Fund shall be limited to whatever shall remain after any judgment or decree in such suit against the Subscriber's interest in the Fund shall have been satisfied.

**TENTH:** Leave of absence or temporary lay-off because of reduction in the Company's force shall not affect a Subscriber's rate of interest or his right to resume payments to the Committee when again in service.

**ELEVENTH:** The plan under which the Fund is created may be dissolved by the Company, as in said Plan provided, at any time during the subscription period, and if upon dissolution there shall then remain in the Fund, after payments and stock distributions have been made to all Subscribers, either undistributed cash or stock, all such undistributed stock

shall be sold at the best market price obtainable, and the proceeds of such sale and any cash then in the Fund shall be distributed among the employees, who shall be contributing Subscribers to the Fund at the time of the dissolution of the plan, in the proportions in which the entire amount at any and all times paid to the Committee by each such Subscriber shall bear to the total amount paid at any and all times to the Committee by all such subscribers.

**TWELFTH:** Subject to ratification by the Board of Directors of the Company, these Rules and Regulations may be changed at any regular or special meeting of the Committee by a vote of a majority of the full Committee; provided that they shall not be so changed as to deprive a Subscriber of his right to a repayment of all sums paid by him into the Fund at the times and with the interest hereinabove provided.

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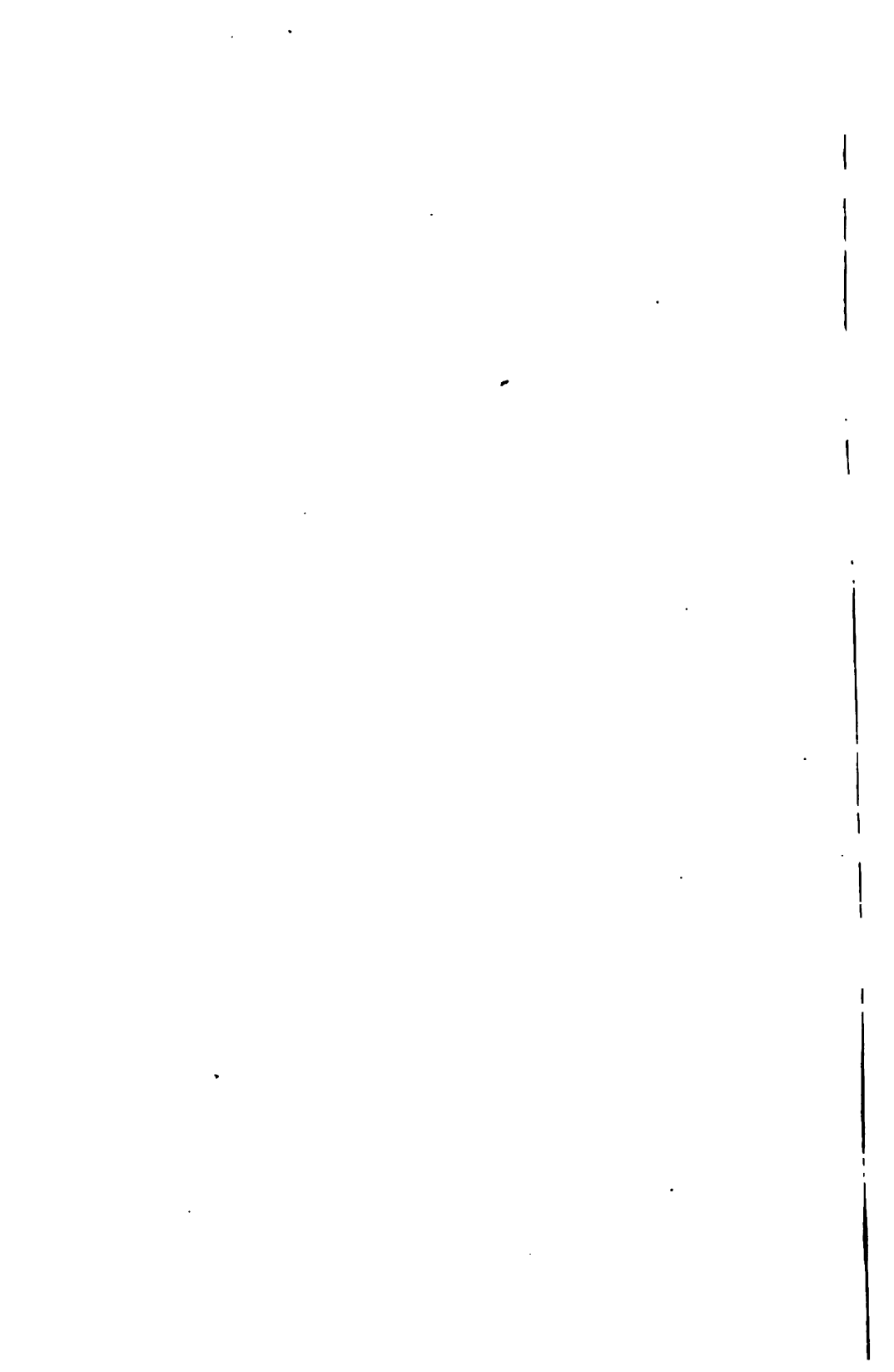
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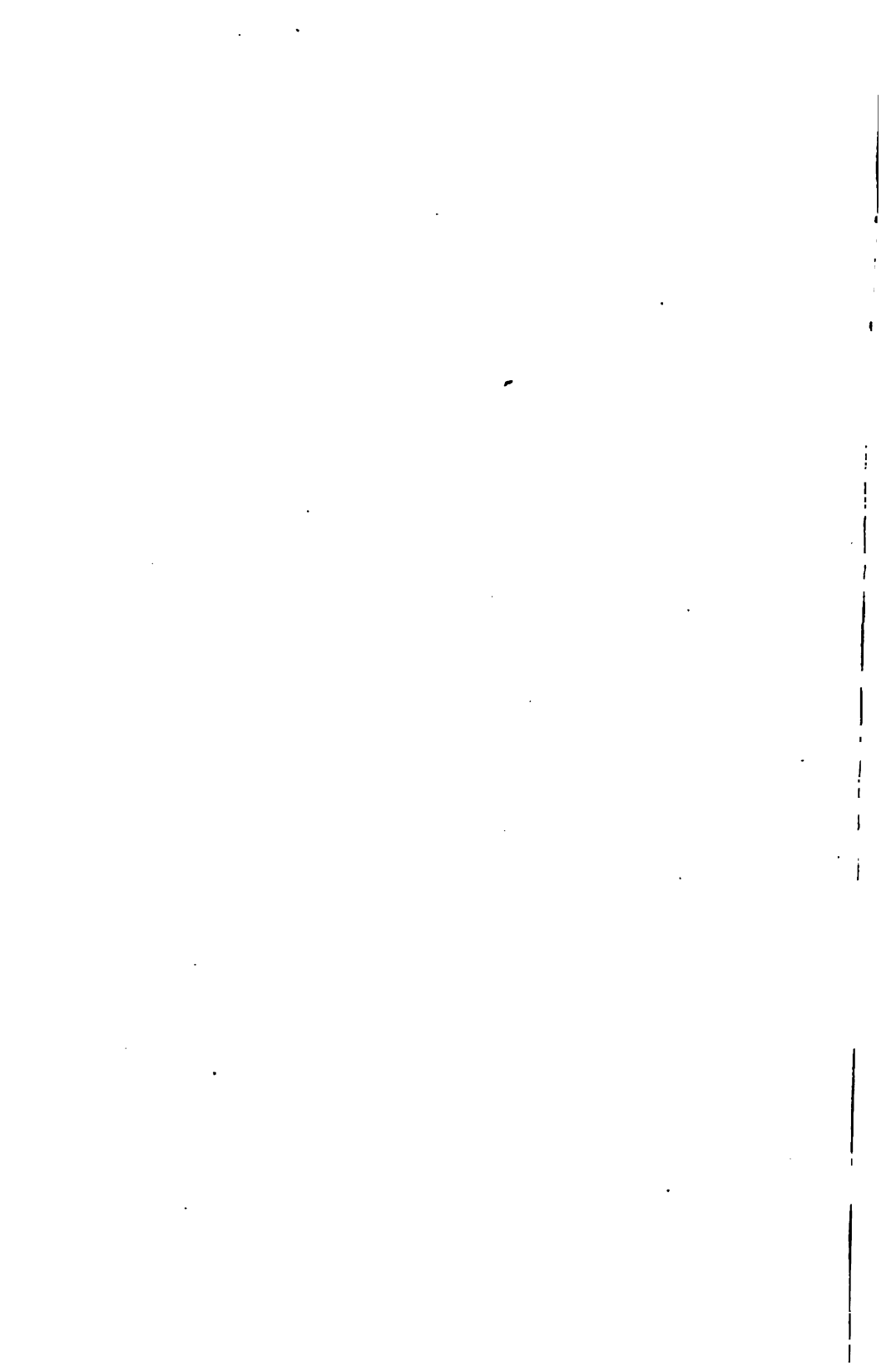
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